

THOUGHTS  
ON THE  
MECHANISM  
OF  
SOCIETIES.

By the MARQUIS DE CASAUX, K.

FELLOW OF THE ROYAL SOCIETY.

TRANSLATED FROM THE FRENCH

(Under the Inspection of the Author)

By PARKYNS MAC MAHON.

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*If Men would be content to graft upon Nature, and assist her  
operations, what mighty effects might we expect!*

SPECTATOR.

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L O N D O N,

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M,DCC,LXXXVI,

THOUGHT

MECHANISM

SOCIETIES



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# P R E F A C E

BY THE  
E D I T O R.

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IT is not a *treatise* that the Author announces; it is nothing more than *Thoughts on the Mechanism of Societies*. Such a title does not confine a Writer to a regular plan; it saves him even the risk of preparing his Readers for a chain of ideas which cannot escape their sagacity if it exist, and on which they cannot be deceived if it do not. But in a picture consecrated to the world at large as well as to his own Country, to the People as well as to their Rulers, it was necessary that the most striking object, the object to which their first attention was called, should be of so general an interest, as to entice them progressively to an investigation of all those details which deserve most to be scrutinised, and of which the different relations are either little known, or greatly mistaken.

The object which at present fixes the attention of all the States in *Europe*, (all of them either debtors or creditors), is the *National Debt of England*, and the measures which will be taken on that subject by the Assembly the most clear-sighted of any in the world to every thing that concerns the interests of the people, the most jealous of its rights, and the most free, at least in its debates. It is by considering that formidable debt, and its influence on the wealth of the State and the ease of the People, that the Author dares to begin. But before he proceeds to unfold the mechanism of the national debt, the result of which developement presents some ideas too opposite to the received opinion, he endeavours by degrees to familiarise his Readers with his own, by *some general reflexions on the present situation of England*: these reflexions leave him no room to doubt, that *England* was in 1779, *notwithstanding the national debt*, richer than she was at the beginning of this century;—richer, either in a fourfold, or in a double proportion, as the Reader is disposed to adopt the one or the other rate of population: whence it appears that the Author, in respect to his plan, does not affix any importance to the difference of opinions on this article.

*A more*

*A more particular view of the subject* furnishes him with fresh reasons, which seem to him sufficient to quiet the mind of the most suspicious creditor. It is, indeed, only by means of the *savings* made, or daily to be made, upon eight pence (the exact proportion each individual is entitled to in the general revenue), that it has been possible to reach the summit of opulence, and that it is possible to be fixed there: but the Author seeks for such *savings* in agriculture and industry, as cannot be misunderstood; he observes that the savings made in agriculture, have proved sufficient, in the course of a century, not only to discharge all the public burdens, but even to double the landed revenue; and he then enters into a detail of several objects, (all easy to be ascertained,) which seem to demonstrate a similar progress in industry.

Here our Author, beginning to feel himself on ground sufficiently firm, confesses that he sees nothing in the present situation of *England*, tending to justify the idea of a national bankruptcy, although the public news-papers often hint at the convenience of such a measure. The author even so far forgets himself, as to examine *seriously*, whether it would be profitable or unprofitable to effect the so much recommended *reimbursement*,

*even on the supposition that the 238 millions which have been borrowed, and have disappeared, could find their way back to the Exchequer.*

After having presented the question under several points of view, our Author hesitates not to declare for the negative, and then endeavours to prove that a previous *thesaurisation* which might have enabled the nation to go through the last war without laying any additional tax, would have done more harm than the new taxes can possibly have done.

The Author, become bolder because he meets with no contradiction when he is alone, (and indeed he is alone very often) undertakes to reconcile mankind to the taxes by means of a first decomposition of the impost; he gives up, it is true, one part of it as burdensome, (it is truly to be lamented that this part cannot be dispensed with; luckily it is the least); but he contends boldly for the other part, as a very precious resource for that portion of the people which best deserves to engage the cares of Government.

Notwithstanding all the precautions taken by the Author not to frighten his readers, there remains such a leap for him to clear, that he is seen, as it were on his knees, begging he may be permitted

mitted to try twenty times, if he cannot clear it in ten: in other words, he earnestly wishes that his work may not receive its final judgement before it has been perused to the end; and in fact, it is not impossible but that a detached proposition, the absurdity of which is striking when considered singly, may be found conclusive when successively brought near to all those that are to follow it.

An Editor owes more to the Public, than to any work, even such as he could wish to bring into some trifling repute: I think then, it is my duty (*in foro conscientiae*) to declare, that it will not be till the Reader has perused fifty pages or more, that he will suspect the reason why the Writer has not announced in the very first, some singular opinion, which he meant insidiously to establish as it were step by step in his pamphlet; but, at length, we begin to have some notion of what we are to expect from a man who has been trying to wheedle us into a belief, that *taxes are a trifling evil*;—*that thesaurification would be a very great one*;—*that a reimbursement is at best useless*;—and who afterwards modestly intimates, that some singularities may perhaps escape him *in the sequel*; as if it were possible to imagine any thing more singular than the three propositions I have just quoted.

Yet too much severity should not be used. Has the Reader been but amused with the part of the picture hitherto exposed to his view? Let him humour the Author in his little conceits. Who would exhibit for public entertainment, if he were not at liberty to draw up the curtain in his own way; if he had not a right to display, at every shifting of the scene, that part only of his curiosities upon which he meant for that instant to fix the eyes of the spectator?

But if the Reader, in spite of the different positions into which he has been attracted, has not observed the least alteration in the compass; if he has not been moved by the arguments with which he has been lured before he came to that part of the work—let him throw the piece into the fire; for the Author, of whom I do not pretend to imitate the circumspection, or adopt the fears, or justify the temerity, or share in the guilt, aims at nothing less than to induce *all Europe* (*all Europe!*) to investigate,

1st,

Whether it could possibly cost *England* more than 5 millions sterling, (*found once for all*) to secure *for ever*, in the most solid manner, the payment of the interest on a debt of 238 millions,

millions, that interest rated at 9 millions, of the same currency?

2dly,

Whether there be not, (without its being suspected), in the system of finance in *England*, some of those imperfections so well remarked, so fully, so bitterly criticised in that of *France*; and whether a national reimbursement be not the easiest of all the sports a Minister of finance can think of, to amuse society without serving it?

3dly,

Whether the possibility of a balance of trade, *always favourable*, be not as doubtful as the necessity of a national bankruptcy, and the advantage of a national reimbursement?

4thly,

Whether an equilibrium in all things (and every where), be not indispensable; and whether, to maintain or restore it, any great effort of imagination be required on the part of those who fancy they hold the balance?

5thly,

Whether the difference of prices be something or nothing; and whether more has been wanted  
by

by the *French* than 66 millions *Tournois* (*found once for all*), to secure *for ever*, the interest at 5 per cent. on a national loan of 1,500 millions *Tournois*?

6thly,

Whether the monster of a competition (in point of trade) supposed unconquerable on account of the low prices with which it should be armed, be not as fantastical as that of a balance always favourable?

7thly,

Whether the most justifiable premium for exportation be any thing more than one piece of injustice, become necessary to counterbalance a great many others?

8thly,

Whether it do not result from the ever infallible and merely mechanical restoration of an equilibrium in all the prices, that the taxes are in themselves completely innocent;—whether there be more than one kind of taxation, which increases only by the exact amount of the tax, the whole mass of prices;—whether the effect of taxation be not trebled by all other imposts;—whether the most pernicious of them, (after the poll-

poll-tax), be not the tax on luxury ;—and whether from the instant that all kinds of taxes, either judiciously or injudiciously contrived, have re-acted on every thing, the burthen of the national debt is not literally *null* in all countries ?

9thly,

Whether, *after monopoly*, credit be not that effect of wealth which increases most the price of every production, both of agriculture and industry ?

10thly,

Whether a certain country, where smuggling has been prohibited under pain of the galleys, be not indebted to smuggling itself for one fifth of the products of her agriculture, which the merchant and trader turn to their advantage with as little scruple, as if they had not petitioned for the detestable law against the smuggler ?

11thly,

Whether the absurdity of the general opinion, on the most efficacious means of establishing a profitable competition, in point of trade, be not clearly evinced, by the account of a strange revolution in *France*—a revolution, as indubitable as the two wars in 1755 and 1779 ?

12thly,

12thly,

Whether the impossibility of the two supposed balances, constantly at the disposal of *England* and *France*, be not proved, by the very facts adduced in both countries to establish the existence of those two monsters?—Whether that impossibility be not demonstrated by other facts as little equivocal; and whether it be not the interest of *England* and *France* to renounce the Idol, and solemnly abjure both its works and its pomps?

13thly,

Whether imports and exports be not a mere sport, as innocent as the game of tennis? A sport, nevertheless, which all Governments might turn to great profit, all Subjects to great advantage, and all States to an increase of power and wealth.

14thly,

Whether the generality of exports from *England*, at different periods, considered with regard to her foreign correspondence, do not demonstrate a kind of electricity, unthought of hitherto, though not unworthy of amusing the greatest politicians at their leisure moments?

15thly,

15thly,

Whether the trifling jest of luxury be not equally as innocent as the diversion of exporting and importing; and how much the most fastuous, the most profuse, the most sensual of all monarchs, consumes, above the most avaricious of all his subjects?

16thly,

How much (not counting shillings and pence) *England* has lost, when her right-arm, as her colonies were called, was lopped off; and how much (not counting shillings and pence) *Europe* might lose by losing her sovereignty over both the *Americas*?

17thly,

Whether all that had appeared to the Author, as founded in reason and equity, do not finally prove (in spite of the general conspiracy of all Nations and all Ministers) to be strictly conformable to the most stubborn facts;—and whether it do not result from that mass of facts and reasons, that the Author's assertion, the most interesting to mankind, (that is, to all Princes and their People) is not of the most irrefragable truth, and a truth the most easily brought within the reach of all the parts interested therein?

I, though

I, though merely Editor, shall venture still further;—I shall suppose the result of this combination of facts and reasons to be, that the means hitherto devised as the most proper to alleviate the burdens of the people, were the best devised to oppress them: What matters it to the people, provided they are to be oppressed no longer? What is the time past, but the baseless fabric of a vision?

I shall likewise suppose, that from those facts and reasons it should result also, that never was a decrease in the Prince's revenue more effectually secured, than by the contrivances devised to increase it: What is it to the Prince, provided it be no longer possible to mistake the true means of enriching him?—Is it not the time to come, that should, above all, engross the attention of a Great Prince?

I shall again suppose, as another result, that it has been a mistaken notion, to imagine that the revenue of the People must be lessened, in order to increase that of the Prince:—What is that to the Prince—what is it to the People—provided both be now convinced, that it is not possible to enrich the one, either really or nominally, without enriching the other in the same manner, and in the same proportion?

I shall

I shall further suppose, that it should evidently result also, that in the Administration of the finances of any country, there is not, there has not been a single principle, nay, not a single idea worthy of the name: What is this to the Ministers who now hold that department?—Can they command what is past? And is it not the redressing of abuses, when discovered, that constitutes the true glory of a Ministry?

To crown the whole, I shall even suppose, that thence also should result, to a very insignificant individual of *America*, a little sprig of that *European* shrub called Bay-tree:—What would that signify to all the Ministers, all the People, and all the Princes in *Europe*?—Will *America* consume less *European* goods, or will she produce less gold and silver, for having produced an idea?

E R R A T A.

Page 149, last line, for 1581, read 1551.

158, l. 3. for *extravagance*, read *examination*.

194, l. 24, for 20 *millions*, read 27 *millions*.

198, l. 10, for 46*s.* read 46*s.* 8*d.*

308, l. 13, for *avill content*, read *avill NOT content*.

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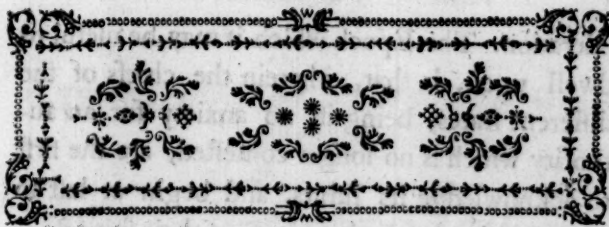
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# THOUGHTS

ON THE

## MECHANISM of SOCIETIES.

THE first step that led to civilisation was, probably, some kind of slavery, whatever might be its nature. It seems impossible that the strongest and most industrious, following no other impulse than that of a consciousness of his superiority, should have come to the noble resolution of sharing generously, with the weak and idle, the fruits of his own labours and industry; nor can it be supposed that he could suffer any one, but himself, to pronounce on the prerogatives due to his courage and his abilities. But the most consummate knowledge of the means which may have paved the way to despotism, would throw but a faint light on the various subjects which I propose to take under consideration.

B

sideration. The Epoch which it may be useful to dwell upon, is that, wherein the chiefs of the different states, being in no anxiety for an authority which is no longer contested, are the first to acknowledge its limits, and begin at last to be solicitous for the happiness of their subjects.

Such, in my opinion, is now the prevailing system all over Europe. The advantage of true freedom is fully felt, and its influence over all-commanding wealth universally acknowledged. But, in order to compare the inferences with the principles, to appreciate the measures by their effects, I shall fix upon that Nation whose avowed maxims, and best known circumstances, are most likely to furnish me with a train of arguments, without having recourse to any further suppositions but such as may appear necessary to clear up the facts that will be adduced in support of those arguments, and to render the consequences, to be deduced from them, more lucid and pointed.

\*I shall begin with the most interesting article in the present situation of affairs, namely, how far the wealth of a State, and the affluence of the Subject, may be affected by a NATIONAL DEBT?

*A general*

*A general View of the present State of GREAT  
BRITAIN.*

**M**<sub>R.</sub> *Arthur Young's* valuation of the Revenue, in his *Political Arithmetic*, is the result of his own private observations. Nothing ever occurred to me on the subject, that can come up with the minute accounts he gives us of the different provinces which he has visited in the north, south, and east of *England*.

I am ready to suppose, with that gentleman, that the joint revenue of *England* and *Scotland* may be computed, the landed produce and commercial profits included, at 110 millions sterling.

Mr. *Chalmers* has published a work on the comparative resources of this country at different periods; a subject, it seems, difficult to touch upon without examining the state of population. This publication, according to my judgement, unites to such solid principles as the matter will admit, a great deal of propriety in the manner of applying them, and of drawing the inferences.

B 2

I willingly

I willingly acquiesce, taking it for granted, with the author, that *Great Britain* contains 9,350,000 inhabitants : but, at the same time, I apprise the reader, that I do not mean to take any advantage of a population more or less numerous ; nor of a larger or smaller amount of the revenue. *Data* I require ; but such I will prefer as most nearly border on reality. There is not a State to which, with a difference in the numbers, one may not apply what I have to say concerning *England*, in those which I have adopted.

It appears from the estimates of Mr. King, who, in the reign of *William and Mary*, proved himself as exact an observer as Mr. Young has done in our days, that the produce of Land alone amounted then to 32,000,000 ; the latter calculator nearly doubles it, by rating it at 63,000,000. The Custom House books, the exactness of which cannot be disputed in one of the two facts they vouch to, (*the Burthen of the Shipping, and the Produce of Exportation,*) will shew that the former, from the year 1709 to 1773, progressively increased from 289,318, to 775,078 tons ; and the years 1697, 1698, 1699, taken upon a medium and compared with 1771, 1772, and 1773, tend to prove that the gradual  
rise

rise of the Exports has been still more considerable, being from 5,612,058*l.* to 16,027,937*l.* (Vide *Sir Charles Whitworth's State of Trade*).

The foreign trade of *England* seems therefore to have trebled since the beginning of the present century. We shall, in the sequel, state the reasons for supposing the commerce of other nations to have experienced the same progression.

The annual sum of 110,000,000, divided amongst 9,350,000 inhabitants, will produce daily little less than 8 pence per head, from the Monarch down to the meanest subject.

The observations I have made in several parts of *France*, from documents, it is true, no ways comparable to those of Mr. *Young*, could not justify my allowing so large a revenue to each individual in that kingdom. Yet *France* and *England* are the two richest and most flourishing countries in *Europe*.

Mr. *Young* rates the clear profits of the Manufactories and Trade of *England* alone at 37 millions; but as these two objects have apparently been trebled in regard to the exports, they cannot be supposed to have exceeded 12 millions in

the reign of *William* and *Mary*. To this let us add, in a proportion rather exaggerated, 5 millions for the landed and commercial revenues of *Scotland*; and it will appear, that, including the 32 millions of landed produce, as computed by *Mr. King*, the total amount of the revenue, land and trade of both countries included, could hardly be equal to 49 millions in the beginning of the present century. Now, from the same author, both kingdoms contained at that period 7,200,000 inhabitants, who, if admitted to a brotherly share, would have claimed only  $4\frac{1}{2}d.$  each per day. I do not confine myself to a nicer exactness in the fractions: the object is not to calculate the precise instant of an eclipse; or at least, that of English prosperity appearing to me no ways probable, I think myself justified in neglecting every thing that might impede my operations, without influencing, in the least, my arguments.

Yet the wages of a journeyman were nevertheless rated then at  $8d.$  per day: but let it be observed, that the number of working-days, when balanced with the holidays, sickness, and want of employment, those eight pence, distributed in the journeyman's family, were often reduced to two; just as the sixteen pence, the present price of  
of

of labour, according to Mr. Young's Estimate, commonly amount to 4*d.* only, although the brotherly share of each man nearly amounts to 8*d.* If any one should be inclined to call this, injustice, let him consider that this very multitude of reductions from 4*d.* to 2*d.* and from 8*d.* to 4*d.* from *William III.* to this present time, has been the only means of accumulating by degrees that immense stock of 600 millions and upwards, manifestly laid out by the State in less than a century, and of which the National Debt makes a part. It is evident that if each individual, from *William III.* had only spent at the rate of 5*d.* per day, there would be no National Debt; but as each man of the nation could, generally speaking, and upon an equal proportion, lay out only 4½*d.* per day, the exceeding halfpenny must have long ago swallowed up the whole principal, the produce of former reductions.

Not one of the monuments erected since that period would now exist, nor would a single trace be left of the stocks to which the nation owes its present wealth: each portion of the national stock, every monument posterior to that era, prove as many persons reduced in the origin from 4*d.* to 2*d.* and then from 8*d.* to 4*d.* as either of the above two sums are oftener told

in the value of such monument, or such stock as might be made the subject of inquiry. No country in the world can boast of a more respectable source of its opulence.—This opulence must either be given up, or the inconveniences that attend it be submitted to. In all parts of the world the labourer earns a livelihood, and very little above that: yet this very trifle is sufficient to make him happy, wherever he cannot be compelled to work without pay. He feels little, never takes the trouble of thinking, and leaves off work only to eat, make merry, or go to rest.—Is our lot better, with that fatal degree of reflection by which our whole life so often centers within a single point?

But is the nation in general as happy in our days as it was in those of *William III*? Have those causes, which tend to produce a decrease in the population, no manner of influence on the people's happiness? And is not the reality of such causes more self-evident, than the pretended proofs adduced universally in favour of its increase?

Without entering into any dispute on the merits of the researches concerning population, which would lead to some truths perhaps unthought

thought of hitherto; here follow the arguments which will occur to any man who stands not in need of a fixed and precise number of thinking heads, laborious hands, and well-digesting stomachs.

1st. It is not easy to conceive how, the landed revenue being nearly double, there should be a less number of husbandmen; for it is not with agriculture as we find it in several manufactories, where the invention of engines, and an alteration in the mode of working, can so advantageously supply the supposed decrease in the number of hands to work after the primitive manner. The valuable number of husbandmen seems therefore, in my opinion, placed beyond even the idea of a decrease.

2dly. It is no less impossible to imagine, that the number of sailors being nearly in a triple proportion to what it was, and the quantity of exports probably augmented on account of the burden of the outward-bound ships, a diminution should have taken place among that class of people, equally precious to the State, for establishing and ascertaining its wealth and strength, as the cultivation is indispensable to secure and support its very existence.

3dly.

3dly. If, notwithstanding the acknowledged impossibility of proving a real decrease in the population, any one should obstinately admit of it, without positive proofs, it cannot at least be denied, that the produce of land and industry being nearly doubled, some means must have been devised, to do that with one hand which required two before. In this case it would be an easy matter to prove, that at the rate of the supposed depopulation, the few elect, who have escaped its causes, can boast of enjoyments in a threefold proportion to what they were before, notwithstanding the difference between the present impost and that which was paid in the beginning of this century: for, after all, the taxes under *William III.* amounted to four millions and a half and upwards, to be deducted from forty-nine millions standing revenue; the balance was therefore forty-four millions and a half, to be shared amongst 7,200,000 inhabitants, acknowledged by *Mr. King*; that is, very little above 4*d.* per day for each individual. Now, in the year 1779, for I have not yet exceeded that period, the impost was of about nine millions, which, taken from an income of 110 millions, left a surplusage of 101,000,000*l.* to be divided. If we adopt the supposed depopulation at its highest rate, the number of souls in *England* is reduced

reduced to 4,500,000, each of whom has 1s. 3d. instead of 4d. allowed in the reign of *William*. It is then incontestible that the Nation is richer, but, I must own, not more happy; for they complain and are alarmed at this time, as was then the case.

It would be necessary to allow the supposition of an increase, if the intention were to shew that the people are now in a worse condition: nor could even this be deemed sufficient; for, admitting the existence of 9,350,000 inhabitants, it will appear, that, by the surplusage of 101 millions left, after the discharge of the taxes in 1779, each individual would be entitled to 7d. instead of the groat, in *William's* reign.

The nation therefore in that year, in spite of its public debt, had almost doubled its wealth, rating the population at 9,350,000; and raised it four-fold, supposing the number reduced to 4,500,000 souls: and in either case, the riches of the State, as well as the national debt, arose and increased from the daily reductions of 4d. to 2d. and of 8d. to 4d. which, since the reign of *William* to this day, have escaped from that all-devouring canker, commonly called LUXURY.

*A more*

*A more particular View of the same Subject.*

I WISH to inquire more minutely, whether such facts as are known do not cast a sufficient light over all the others in general, to induce the most anxious and pressing creditor, and the nicest in point of proofs, to sleep in the utmost security, till some particular discovery pleads in justification of his alarms.

The present revenue of *England* is stated at 63 millions; that of *Scotland*, at about 7 millions; collectively, 70,000,000*l.* It will be seen hereafter, that 65 or 75 millions would give the same essential results: I must however add, if any thing more should be wanted, that, in his estimate, Mr. *Young* does not include the horses, hemp, flax, vegetables, fruit, nor hops, &c. all of which are reproduced annually, and augment considerably the number of exchanges held out to industry.

This landed revenue is produced by somewhat more than one third of the inhabitants.

It

It remains for us now to compute, at the lowest, the income produced by a second class of people, probably as numerous as the former, since not less than 1,500,000 persons of both sexes, and of all ages, are employed solely in preparing and working the wool. (See *Chalmers's Estimates*.) But if the labour of 3,000,000 of husbandmen brings in 70 millions annually, why should that of an equal number of mechanics and handicraftsmen stand for less in the computation? To this reason let the following remarks be added.

Out of the 70 millions, 20 come to the share of the cultivators, either as the price of their labour, or for poor's rates; 12, of these 20 millions, at least, are laid out for the produce of industry: bread, it may be observed, is comprised in the remaining 8 millions.

Let us state the number of proprietors at 2,000,000, including all their dependents, under any denomination whatever, women, children, chaplains, farmers, physicians, strollers, servants, &c. and their annual expenditure, in the rough produce of the land, at 18 millions, there remains only 32,000,000, which must be paid by the industry, already in advance, of the 12,000,000 exchange granted to the cultivator.

tivator. It is obvious that I speak here only of that kind of industry which may be productive of exchangeable commodities, even against those of foreign produce.

Three millions of mechanics do not live more soberly, nor are they worse clothed, than the husbandmen: it may therefore be inferred, that out of the 20 millions, which they likewise receive for their labour, they lay out in the produce of industry, 12 millions, which, added to the 44 millions I have just mentioned, make, all together, 56 millions.

The manufacturers and principal traders, under every denomination, with their dependents of all kinds, complete the necessary number of the supposed population of 9,350,000 inhabitants, that is, 1,100,000 souls, themselves, the idle people supported by them, and their household included. Supposing their consumption of the rough produce to be proportionable to that of the proprietor, their expenditure will be 10,000,000; but then we must square by the same rule what they lay out for the produce of industry: 18 millions will be the sum, which, together with the other 56 millions, makes a mass of 74, instead of the 70,000,000 acknowledged in agriculture.

Even

Even this would not be sufficient, for reasons which I shall give in the sequel ; but I shall observe, in the first instance, that were the population less numerous than we have supposed it to be, the same consumption of the rough produce is certainly inadmissible : but the landed revenue remaining the same, though procured by a less number of hands, it would then become necessary to estimate the amount of the labours of industry, effected by a number of handicraftsmen, equal to that of the cultivators, from the ascertained value of the latter's productive labour.

I now return to the *deficit* wanted for the security of a constant increase of wealth, which may at all times supply all the exigencies of the State.

The 18,000,000 consumed on the produce of industry, as granted to the principal traders, seem to raise them to 4,000,000 above their real value ; I mean, that which is acknowledged in the produce of agriculture. It is not under colour of the supposed interest of the enormous principal, which gives motion to the manufactures and to the inland trade ; it is necessary that industry should contribute its stock, as well as agriculture. The principals laid out, by the

one or the other, are a matter of indifference to the state; it can speculate but on their produce, and pays exactly the interests, when it rates at the same value the result of the labours of both; but, to the 70 millions assigned as the indisputable produce of industry, (supposing a laborious man to be as good as any other equally industrious) we must add the intrinsic value of the rough materials on which industry hath wrought: This accession, which is also fair and equitable, will furnish, not only the 4,000,000, which annually exceed the home consumption just mentioned, but likewise all the millions necessary to secure, and mean while explain, this gradual increase, which it would be difficult not to trace in trade, as it is observable in the landed property. The latter is doubled within the space of 90 years; from whence we are forced to conclude, that the annual savings of the farmers, and owners living on the spot and cultivating their estates on the true principles of husbandry, have sufficed to discharge, not only the public burdens, and to defray the manuring expences, but also to double the produce and the general means in the most important article. It remains now to examine, whether the savings of the manufacturers, traders, and other supporters of industry, are as indisputable as those made by the cultivators.

*Clear*

*Clear Savings of the Manufactories, Trade, and  
other Branches of Industry.*

THE riches of a country, and its progress, are established and confirmed by its savings. Let us consider cursorily such as, from their self-evidence, admit of no dispute.

Ninety years ago the landed revenue of *Great-Britain* was computed at about 35 millions. Let us suppose that 10 millions of specie were then required to give an effectual circulation to property of all kinds, (many people will think this by far too little\*): but the revenue of landed estates, being now 70 millions, 20 millions at least, instead of the 10 millions requisite in the times of *William and Mary*,

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\* The 18 millions sterling in circulation, as calculated in 1688, by Dr. *Davenant*, were, in 1711, brought down to 12 millions, probably as we reduce now to 20 or 25, the 40 millions and upwards which might be supposed in *England*, were we to confine ourselves to the calculation of the coin struck in the present reign, and of the old pieces preserved on account of their weight being unimpaired. The sequel will shew, that it is next to an impossibility for a country, tolerably governed, to preserve, for any length of time, more or less money than its wants require.

should be allowed; and consequently a first clear stock of savings amounts to - 10,000,000*l*.

The consumer in those days was probably allowed, as is still the custom, a twelve-month's credit upon half the articles purchased. Some of them took a longer time, if others a shorter one; but the stock of credit being then equal only to 35 millions, and now raised to 70 millions, we have clearly another mass of savings of - - - - - 35,000,000.

Then, as in the present time, the preparing, manufacturing, and delivering, required six, twelve, or eighteen months. Let us suppose the year, upon an average of the slowness of one operation, and the celerity with which another was performed, we shall find again, in the difference of the stock, a third saving of 35,000,000.

If we suppose the value of manufactories, dwellings, warehouses, and all kinds of establishments, necessary to answer all the exigencies of a stock of industry and commerce of 35,000,000, to have amounted then to 25,000,000, we must admit that the objects in the same manner necessary to a stock of 70,000,000, do likewise present us with a fourth clear saving of - - - - - 25,000,000.

In

In order to employ those hands by whose labour the annual sum of 35,000,000 was produced, 10,000,000 were probably sufficient; whereas 20,000,000 are now required. This shews a fifth clear saving of - 10,000,000.

The annual returns from the *American* islands was computed, 90 years ago, at about 330,000, (Sir *Charles Whitworth's* State of Trade). Half of this produce was, in all likelihood, mortgaged to commerce; but it only supposed a stock of 3,000,000 at most lent, it matters not at what interest. The yearly produce of those colonies, added to that of the ceded islands, amounts, at present, to more than 2,900,000; more than one-third of which belongs to the trader, either as purchaser or mortgagee, and exhibits a sum of about 20,000,000, from which we shall subtract the former 3,000,000; and considering (for a moment) those colonies as being foreign to the State, we shall find a sixth clear saving of - - - - 17,000,000, (the petition of the merchants in 1775, supposes it to be 30,000,000.)

The *English* might perhaps be out of humour with me, were I to suppose that the continent of *America*, stands on the debtor side, for

no more than 4,000,000; I shall therefore set down this article as - - - - *Memorandum.*

Eighty years ago the amount of exportation from *England*, was estimated at 5,612,085 *l.* In 1773, upon a medium of three years, the same was increased to 16,027,937: of the exceeding 9 or 10 millions, one part appropriated to the commerce in *Europe*, another to the *American*, a third to the *East-India* trade, remain one, two, and sometimes three years, before they can be applied to the same objects. These 10,000,000 therefore suppose a stock more than double the same sum, and ought, in consequence, to be set down as a seventh clear saving of - - - - - 10,000,000.

The *English* ships, employed eighty years ago in carrying on the national trade, presented only a sum of 289,318 tons burden; the number of tons is now rated at 775,078. This increase of 485,760, together with the expence attending the fitting out, going and coming, produce a stock of 5,000,000, which must be doubled, by compensating the voyages of six and eight months, by those which require two or three years: here, therefore, appears an eighth clear saving of - - - - - 10,000,000.

The

The proprietor of lands should not be considered in this light, in the use he makes of his yearly profits, but with respect to that part of his said profits which he lays out in cultivation: In regard to that share of his income which he invests in the funds, we must consider him as member, agent, and usufructuary of industry and commerce. Now, if we divide into three parts the whole of the national debt, one-third of which, if agreeable, we shall set down as foreign property, and the other two as belonging to the natives, we must of course acknowledge in the nation a new sum of clear savings, amounting to 180,000,000. This, in fact, should not be considered as a real increase of wealth, which it is at all times easy to appreciate, but as a proof that there exists, in the nation, an inestimable number of men, who are capable, in the space of ninety years, to effect a saving of 180,000,000, which government will have it in its power, within the same space of time, to appropriate to the exigencies of war, if potentates should continue in a warlike humour; or to lay out in objects of industry and cultivation, supposing an improvement of the revenue should be preferred to a state of warfare.

I shall not speak either of the difference which may be observed between the present state of the Royal navy, and the situation it was in at the beginning of this century, nor of the public monuments erected from that period, nor of the *India* territories, nor of the Colonies remaining to *England*; provided the objection concerning the money due to foreigners is not repeated against me, as I am in hopes, by and by, to find some kind of compensation for it. I shall therefore confine myself here, to observe, that the above savings of all kinds of industry, some of them active, the others passive, all equally necessary, assisting each other mutually, no doubt, and finally amounting to 332 millions, have been effected in the course of 90 years; not with any sensible detriment to the landed property, since its revenue is doubled, nor to the disadvantage of the lower class of people, whose day-work brings in 1s. 4d. instead of 8d. nor to the prejudice of the fine arts, the rewards of which are perhaps fourfold, comparatively speaking; but solely according to the common course of things, *restrained, nevertheless, by a war of 30 years and upwards, out of the 90,* and by all the prejudices which the present generation begins to shake off, and which probably will be entirely abolished in the next.

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It is no ways natural that the same causes will not be productive of the same effects. It may therefore, in my judgement, be reasonably concluded, that, within 90 years from this day, the landed revenue may be increased to double its actual value, and the population, trade, and industry, augmented in the like proportion, were even the national debt to amount then to 476,000,000, instead of the present 238,000,000, which excites so many complaints and loud murmurings.

In fact, let us suppose the debt arrived at a height so apparently formidable, *and the price of every thing proportionably increased*; would the former be less firmly established? Methinks that the very contrary is demonstrated by calculation, and that imagination cannot frame any rational objection thereto; at least I am free to confess, that all my efforts have not been able to produce any combination of probable circumstances, which might, in any supposition, justify the dread of that *application of the sponge* which is so often held out as a resource that sooner or later must be adopted. Setting aside the infamy of such a measure, what advantage would accrue from it? Let it be adopted this moment in *London*, within three days the same

step must inevitably be taken at *Paris*. A manœuvre of this kind would manifestly indicate either the most hostile intentions on the part of the *English* government, or the project of overturning the constitution: the latter concerns *England* alone; but in the former, *France* is deeply interested. That power would be compelled to put itself in a situation to oppose an immense and free revenue, to a revenue equally immense without appropriation. Were, on the other hand, the *French* to lead the way, *England* must inevitably follow; and the unprofitable disgrace would be the portion of either of the two nations that should have set up the precedent.

But who will see without grief, 2,000,000 interest due to foreign States! 2,000,000 in specie carried out every year from *England*! *England* yearly stripped of 2,000,000 of her money!!! It will be seen hereafter in what that money consists. Yet with personal stocks so real, so considerable, so clear, what can prevent *Great Britain* wresting from the foreigner, the share he claims in the national debt? The reason is obvious: the owner of landed property, or the farmer, who hopes to get six *per cent.* of the stock which he lays out upon his lands, instead of vesting them

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in the funds, envies not the foreigner who is glad to get 5, 4, or even 3 *per cent.* On the other hand, the merchant who trades by commission, and who has an opportunity of placing in the colonies his money at 5 *per cent.* interest, which is raised to 8 and 9 by his commissions for sale and purchase procured therewith, cannot wish himself in the situation of a stranger, whose stock in the *English* funds brings him in, not above one half of that sum. It is still less an object of envy for the manufacturers, or owners of ships, who, from their manufactories or shipping, clear 10 or 12 *per cent.* of the monies laid out by them: the projectors of all kinds likewise flatter themselves, that the stock employed in their undertakings will produce 15 *per cent.* To sum up the whole in much fewer words, the prospect of 3 or 4 *per cent.* is not likely to tempt any one, who is in hopes of getting a two, three, or even four-fold interest. And in fine, the public funds, in any country whatever, will never be more or less than a lucky, *or rather a providential*, resource for those who have neither talent, power, nor leisure, to place their money to better advantage.

Now, would the abolishing of such a resource turn to the profit of the State, even supposing  
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it to be effected by the justifiable means of a general reimbursement, were the case possible? I have too often reflected on the subject, too often revolved it over and over, I have viewed it under too many points, not to be sensible how far above my strength it is to discuss the matter in all its parts; I shall nevertheless venture to throw out some thoughts, which to me seem likely to render somewhat problematical a question which, at first sight, does not appear any ways difficult to resolve.

This question is not, whether it would be more advantageous to the State, not to have contracted a debt of 238 millions; but whether, since it is incurred, it would be profitable to discharge it. To doubt of the former, would be absurd: 238 millions thrown away almost entirely, within the space of 90 years, to forward destructive schemes, now no otherwise compensated than by a double devastation of the same kind, in a neighbouring kingdom, which by a treble population was able to support it, would certainly have been better bestowed, in both countries, either on the lands, whose revenues and number of cultivators would have increased, or in the improvement of the trade and arts, the stock and *chef-d'œuvres* of which would

would thus have been multiplied. But the debt being once incurred, let us suppose that the 238 millions, which are vanished, should return into the Exchequer, would it be proper or not to pay it off? Thus stands the question.

*Thoughts on Imposts and Reimbursements.—The Accumulation of public Treasure considered as the Means of preventing Taxation.*

THE present impost in England, as the case is almost every where, consists of two parts widely different from each other: the one is certainly burdensome, but necessary;—of this hereafter. Might not the other, which concerns the national debt, however grievous it may appear, be considered as an useful establishment, so long as it shall be presumed that the increase of the national wealth, and its being divided amongst a greater number of individuals, is an advantage to the State; “or, in other words, “until it shall appear evidently, that the welfare “of the State requires that each of its members “should lay out annually all that he is able to “spend?” Before I attempt to deliver my opinion on these two subjects, I shall suppose the reimbursement possible, and resolved upon.

Nine

○ Nine millions of taxes, to pay off the annual interest of the debt, compose nearly one seventh of the landed revenue. These taxes, gradually laid on such objects of consumption as are supposed most likely to bear them, must have raised their price by one seventh, or something more; and that really, justly, and I think necessarily. The reader will perceive that I speak of the objects of taxation collectively, since some of them bring to the Exchequer twice their intrinsic value. The reimbursement being effected, would they fall back to their primitive value?—Yet this must be, in order to reap the pretended advantage; and this, in my opinion, would be of no manner of service. I shall endeavour to prove it; and then we shall examine whether the effect would not be more than doubtful.

It would be no easy matter to assign, for certain general facts, any other cause than the force of Nature; who, in the end, gets the better of all the regulations that thwart her. But let any one examine whether there be a single untaxed object, which, from 90 years back, or, to speak more to the purpose, from the origin of the national debt, is not raised more than one seventh, above the nominal value.

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it had at that period. It is therefore sufficiently probable that the taxes have been felt, not only by the consumer of the taxed commodities, (according to the laudable intentions of Government) but also by the whole nation, by all the individuals that compose it :—And this, in my opinion, is equally just and unexceptionable.

Yet, it may be urged, that this increase in price is to be ascribed to the greater quantity of specie in circulation. Granted. In this case, a falling-off in the prices, accruing, as it is supposed, from a decrease in the taxes, which is represented as the effect of a reimbursement, cannot then take place :—besides, as the sequel will show, the taxes unavoidably bring in, one way or the other, even in the first year, the whole money required to pay the same. I shall argue on both suppositions. Is the increase in the prices owing to the taxation? It appears, evidently, that the taxes bring in the sums necessary to pay them, since they are actually and annually paid :—This money, then, must be withdrawn from the circulation, in order to lower the prices. Is this increase the effect of an augmentation of the specie? Then it will be necessary, in order  
to

to ascertain the primitive price, to recall from the circulation all the money which has been introduced since, and in spite of the taxes. Now if, in spite of the taxes, a country abounds with money, how should it not be so, supposing no duties had been laid?—How can the abolition of the taxes prevent the introduction of cash?—How will it come to pass, that the mass of specie being increased, the prices shall not be raised?—And if all of them augment, in a fair proportion, who will gain by it, who will suffer?

Be it supposed, nevertheless, for this is my main object, that the abolition of the taxes will lower the price of the mass of taxed commodities.—The same force of nature, which, without the intervention of any one, had raised the generality of untaxed objects up to the rate necessary to balance the imaginary value, which the tax added to the others, would operate in a contrary sense, and diminish, insensibly, the price of those articles which might have been overlooked:—What would be the advantage accruing to the State from a general and proportionable decrease?—Let us not think yet of the pretended profit that would result therefrom,

therefrom, in favour of trade, with relation to foreign competition: this matter requires a particular article. The only business now in hand, is to examine, whether, in case the reimbursement should be effected, this general decrease of prices, which I have just granted, could be effectually obtained.

The reflections which I have hitherto laid before the reader, suppose that the refunded 238 millions would irrevocably be transferred from the Exchequer into the hands of those unfortunate individuals who might have been forced to receive their reimbursement. But one must live. Government could not carry injustice so far as to compel them to bury, or cast into the deep, that precious metal, ripped up at so great an expence from the bowels of the earth. What consequence would then ensue, if that immense sum put into circulation, not in *England* alone, where such an addition of specie would, in less than six months, occasion a six-fold rise of prices, but over all *Europe*, where probably treble that stock never was in circulation? — The price of every commodity would treble, or at best double, perhaps universally. — What advantage could

could the State, or individuals, derive from such unavoidable, general, and proportionable rise?—Were the reimbursement practicable, instead of effecting it, I should vote for laying out the 238 millions in erecting a colossus of gold and silver, to be a standing monument of public gratitude towards those whose economy and confidence have served the State in its needful circumstances.

The absurdity which might be imputed to such an idea I shall partly do away, by stating the effects of laying up treasures, as has been the fancy of several princes, and which is supposed profitable by Mr. *David Hume*, who, methinks, ought to have been one of the first to rest assured of its inutility, after his excellent observations on money.

I shall suppose that the *English* government had preserved, seven years ago, the 60 millions and upwards, expended during the last war; and that, instead of laying those taxes so highly complained of, they had annually laid out of the Exchequer, the 12, 15, 20,000,000 sterling, which successively produced the last debt: what might have been the result?

First,

First, If the very useless prohibition of the exportation of specie, however it *might* be profitable to those who could export it, could have possibly been put in force, 60 millions of real cash added, in a country where 20 millions perhaps are sufficient for circulation, must have doubled at least the price of every thing; a consequence diametrically opposite to what it was intended to effect. Would it not, in some respect, have ruined the Bank, by rendering useless its nominal stock, in lowering the interest of its real one; and reducing, in fine, its abilities so much below the level of public wants, when the general prices, two-fold increased, would have raised, in the same proportion, that of every engagement?

Secondly, The evil would have been less fatal than I describe it, if the prohibitory law, as all those that militate against justice and common sense, had been evaded; but the gold hoarded up heretofore, and now supposed to be circulated over *England*, would, by succession, have passed into *France*: and the latter, in order to continue the war, would have borrowed, even of the *English*, at four, and presently at three *per cent.* the monies which she could not procure at less than seven or eight *per cent.*

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Now

Now money growing more common in *France*, the prices would be, as in *England*, and soon after every where else, increased in the same proportion; for it is essential to observe, that those two nations are too rich, their correspondence too extensive, their activity kept up by too many branches of industry, for them not to regulate the markets all over *Europe*: it is probable that both are now too enlightened any longer to refuse receiving it, not one from the other, but from Nature herself, who, constantly provident, ever above the reach of untoward regulation, at all times unbiassed in bestowing her favours, or equipoising one by the other, would settle, only a little later, notwithstanding all efforts to the contrary, that equilibrium necessary to the general good of Society, of which it is glorious enough for those two countries to constitute the preponderant parts.

Thirdly, Independent of this general and inevitable repartition of the 60 millions laid up heretofore, the 10, 15, and 20 millions, which *England* has found yearly, during the last war, in the purse of her subjects, were, beyond doubt, that portion of capitals, which the circumstances of such a war as the last was, would have rendered useless in the hands of the lenders, had government found

found in the Exchequer those sums which were obtained by way of a loan. Can it be doubted but that this portion, useless in *England*, in the supposition of a prior accumulation of money, would equally have been sent into *France*, on the first prospect of placing it to advantage?—It would have been carried there, just as the *Dutch* had formerly sent into *England* the dormant part of their capitals, and would send it any where, at all times when sure of benefiting by it, were it even against the interest of the *United Provinces*, saying with *Camilla*, in *Corneille's Tragedy* of the *Horatii*,

“Rome, si tu te plains que c'est-là te trahir,  
“ Fais toi des ennemis que je puisse haïr.”

It will appear by the sequel, that I am as far from cutting off such resources, as are deemed infallible, and dictated by prudence, in order to support with vigour a necessary war, as I am from raising the least doubt concerning the right of waging war, be it ever so unprofitable and unjust. My only intention was to prove, that treasures hoarded up in time of peace, and scattered afterwards during a war, in order to avoid taxation, would raise much higher the prices of every thing, than taxes of any kind whatever could raise them. And I do now say—make war as

long as you please, but do not accumulate for the purpose of waging it. Your monies, locked up in your strong chests, could not be sheltered from every kind of accidents; and whilst you can boast of subjects equally brave and industrious, you will never want money, nor means to carry on any war you may undertake: but then you must submit to that augmentation of prices, which must naturally follow. I flatter myself I shall be able to prove, that this very increase is subject to no manner of inconvenience.

*On the grievous, but necessary part of the Impost.*

WHICH part of the impost is truly hurtful to the wealth of nations? A standing army of 50,000 men in time of peace, both for the sea and land-service, and 50,000 more employed, either upon the different objects relating to those services, or to maintain good order and public tranquillity, or intrusted with the collection of the revenue, are evidently 100,000 men, taken in *England* from that last class which, though *last* in point of rank, is nevertheless the sole instrument of the national riches. Now, out of the *given* number of 9 millions of inhabitants, 6 millions only constitute this precious, this productive class; the other 3 millions consist

first merely of consumers : from the 6 millions, allowed in the productive class, deduct 4 millions of children, old people, and women, half of whose life is taken up with the cares and incumbrances of a domestic nature ; of this truly profitable class 3 millions only will then remain. A hundred thousand men, all stout, vigorous and skilful, constantly withdrawn from that class, occasion a vacuum of about a twentieth in the productions of the land, and of the arts, that is to say, (for there should be no illusion in the case) the twentieth part of the possible wealth. That portion of the impost, which is set apart for the subsistence of those 100,000 men, is therefore, in some manner, burdensome ; since Society is thus deprived, not only of the produce of their industry, but also of that part of other people's labour which they consume without contributing towards it : but amends are amply made for those indispensable privations, by the property being better secured, and enjoyed in full tranquillity. Besides, that part of Society, which suffers most thereby, does not belong to the productive class ; the latter, as has been already observed, is, in the richest as well as in the poorest countries, ever reduced to that pittance which is but just necessary to keep up industry. Nations the most free differ in this point from those who groan under the most

slavish despotism, only by the insolence with which this scanty pittance, if refused, is insisted upon in a free country, and the humble manner in which it is sued for in the others. The difference of natural talents, displayed in their utmost energy, suffices to establish, sooner or later, amongst the freest people, that enormous disproportion of wealth which gives offence elsewhere, only because it is not always the proof or reward of labour, abilities, and œconomy,

Let any circumstance whatever, either well or ill judged, occur, which may determine the nation to complete to 200,000 the 50,000 sailors and landsmen that are sufficient in time of peace; 150,000 more men will be taken from the productive class, which must, of course, occasion a second vacuum, viz. the productions with which they would have enriched or amused their country. But the loss will not end here; other 300,000 men, many more perhaps, from the same class, constantly busy, during the war, in preparing the intended destructive plans, will unavoidably occasion a farther loss of four or five other twentieths in the other enjoyments of peaceable times, to which, had not other occupations interfered, they would have contributed; and if the war should last for 3, 4, or 10 years, it is evident

evident that, in the latter supposition, the nation must lose all that increase of wealth which would have been effected, had the principal, swallowed up by the war, been differently employed. This loss is considerable, immense, and never can be retrieved; for what was then omitted, will never be done; what will be effected, might equally have been so, without preventing the productions which would already have taken place.

All these *deficits* in wealth, occasioned by the war, are a substantial loss; and the prospect would be dispiriting indeed, were not the rival nation in the very same predicament. But will this grievous loss be after the peace active, as it were, and felt by the community longer than the time required for the 2, 3, or 400,000 men, employed during the war in forwarding the destructive schemes, to resume their peaceable occupations; or till the number of them, who shall have died in *America*, the *Indies*, of the scurvy, or at the fatal tree, be replaced by the ordinary course of population?—This I cannot conceive by any means: some of the reasons, which I have to adduce, will be found in the reflections I am about to present on the second part of the impost, which seems to me not less useful than the first is necessary: all my other arguments will

appear in the other parts of this work. If it can be concluded from the *ensemble*, that all the evils brought about by a bad or ill-fated administration, are naturally, and without expence, compensated under a wise ministry, and that the most barbarous and most extravagant of them all could have no other means of ruining the nation than by destroying the people; then, made easy on the effects of the national debt, we shall have courage enough to acknowledge, that it is as sacred in the hands of those, who, having furnished the value, are in possession of the vouchers, as the crown on the head of the monarch; and we shall enjoy the freedom of mind necessary to infer, that although Providence often seems to leave to chance the destiny of some individuals, yet it is very far from being indifferent to all that concerns the whole species\*.

Of

\* I have mentioned the fatal tree, as a consequence of the miseries attending war. This is more sensibly felt in *England* than any where else, for reasons obvious to every one. During the first years that immediately follow a peace, a four-fold number of wretches, to what are executed at other times, are brought to the gallows. It is with much ado that a man returns within the sphere of the confined and daily occupations of the handicrafts or husbandmen, when he has for some years rioted in that licentiousness permitted, in a manner, to soldiers and sailors, in every thing that does not concern their respective service.

*Of that part of the Impost, which is more useful  
than grievous.*

THE part of taxation, which now remains to be considered, is that which, at every instant, presents to any one, a secure and useful employ of all the capitals at his disposal, and of all the savings which prudence hath induced him to make. The utility of the public funds, which are nothing else but the national debt, might seem established by these few words; but further details are necessary.

I have adopted the estimate by which *England* is supposed to contain 9,300,000 inhabitants; one-third cultivates the land, one-third is engaged in manufactures, and of the remaining third, 600,000 at most share among them the neat produce of cultivation and the arts, in proportion to the capitals with which they keep in play those two engines of opulence. All the remaining part of the people, as dependents under whatever denomination, look, for their subsistence, to the friendship, humour, pride, or wants of the 600,000 proprietors.

Out of 70 millions, at which the landed revenue throughout *Great Britain* is computed,  
33 mil-

33 millions are absorbed by the unavoidable expences, and necessary charges attending cultivation, or annexed to the property. The proprietors share among themselves 20 or 25 millions; the other 12 millions go through the hands of farmers, as a very equitable recompence for their trouble, and as a liberal interest for a personal stock of 120 millions necessary to the produce of the revenue. (Vide Mr. *Arthur Young*.) On the best use possible of these last 120 millions, solely depends the increase of landed profits; but it is only by degrees, and the concurrence of favourable circumstances, that the landed property can effectually receive the increase of the capital, which is calculated to augment that produce.—Does it conduce to the interest of the State, that, till then, the farmer should keep inactive the capital appropriated to so material an object, or that he should lay it out to improve the lands before it is wanted, or that, waiting for the instant of need, he should employ it in such manner as not to have it at command when the needful time is arrived?—This question cannot be answered, I think, but in the negative; and it appears to me, that, on this point at least, I may assert positively, that an establishment, which puts into the hands of the farmer, at the very juncture  
when

when he wants it, that portion of his capital which had hitherto been useless, and which however was, till then, (owing to such an establishment) advantageous to some one else, is, of all others, the most profitable, wherever the object is, to give to every capital that degree of activity and utility of which it is susceptible. Therefore, a reimbursement which would deprive the *capitalists*, farmers, and active proprietors, of a resource equally safe and profitable, would not only prove fatal to the order of citizens especially interested in the landed revenue, but to all those who, whilst the money intended for the improvement of land, is unapplied, make use of it in some advantageous speculation, which becomes important to the arts, and to commerce.

We have already observed, that out of the three last millions of inhabitants, 600,000 *capitalists* only share among themselves the neat profits of the arts, and of cultivation. There remain therefore 2 millions 400,000 dependents, who look up, for their subsistence, to the caprice, the pride, or wants of those opulent men. Now out of that number of dependents under every denomination, servants, clerks, lawyers, physicians, &c. several thousands are to be reckoned,

reckoned, who, tired of their situation, put by constantly, part of the wages of servitude, in order to secure to themselves and their posterity a more free and less equivocal existence.—Would the State be benefited, were this class of men, as essential as any other parts of society, to bury, as it were, the surplus of their layings-out, till they should have amassed the sum they might think sufficient for their intended purpose?—Would not the money, thus lying idle, occasion a chasm in circulation, which would turn to the prejudice of trade, thereby deprived of part of its resources?—Besides, if the want of a chest, safe from the attempt of robbers, and other inconveniences, a chest which is not only a security for them, but affords an interest for the money therein deposited, should necessitate them prematurely to embark in some scheme foreign to their occupation, which must be either abandoned or neglected; would not that knowledge, which they have derived from experience in all matters relating to their primitive avocation, be entirely lost to the public?—A reimbursement therefore which would deprive that part of society, much more wretched and dependent than either the mechanic or the cultivator, of a resource which, from its certainty, induces the former to fulfill with more zeal and exactness,

exactness, the duties they have imposed on themselves, would prove a measure as hostile to humanity, as it would be contrary to sound policy.

In the immensity of commercial operations, how many capitals to a considerable amount, unemployed during two, three, four, and six months, are indispensably wanted at the precise period! Would it turn out to the advantage of the State, if a considerable capital, useless for six months to the holders, and for the like space of time essentially wanted by those who possess none, should lie dormant in the proprietor's chest, till time should give it life, and make it useful?

But it may be urged, a man buying stock in the public funds, would lend to the seller (were no such funds established) the sum which he gives for his purchase.—That he might do so, there is not the least doubt: But could he depend on receiving the money at the time appointed for the repayment? May not the best man to-day, be a bankrupt to-morrow, and break for a million; and if the enterprise, to the execution of which a merchant appropriates, to be paid in six months, that portion of his capital, which

which till then has been to him unprofitable, should require that punctuality which alone could insure its success, will not prudence compel him to give up six months interest, that his undertaking may not be left entirely to chance?—Will not the public have lost the fruit which might have been reaped from that dormant capital, had the owner been at liberty to dispose of it?—And, will the same public flatter themselves that the six months interest which the merchant was obliged to sacrifice, in order to secure the execution of his plan, will not be reckoned in the expenditure?

Some will say, with no small degree of acrimony, “How many drones are supported at the expence of the public funds! These are only an encouragement to idleness.”

But do the persons before spoken of, come within this description? And, if the man who has laboured in his youth, chooses to repose himself in his old-age, is this pretended idleness any thing more than that *otium*, that leisure, so justifiable, and so sweet, after a toilsome life, when the state of the mind, and of the heart, cease to make labour necessary?—And, supposing, that after his death his wealth devolves to an idiot, must the son of an

an industrious father, who has served the State both by his œconomy and labour, be deprived of his resource?

It might be objected, that my reasoning derives its force from the bare supposition of a total reimbursement, the possibility of which no one can admit; but were it subjoined, that, by acknowledging the impracticability of the measure, we suppose its expediency;—were it farther said, that the public papers have often spoken of, and do still point out as the readiest and surest way to effect it, *the application of the sponge*;—were it added, that the first geniuses of *England, France*, nay, of all *Europe*, have advanced, and do still maintain, that such a measure will one day or other become unavoidable;—then we should be forced to acknowledge, that it would be no inconsiderable service to humanity, to spare no endeavours to convince the people, that no greater ease, power, or happiness, would accrue to them, were the nation to resolve upon its own disgrace.

Nor would it, in my opinion, be a more difficult task to prove, that from a real and gradual reimbursement, no other advantage could result, than bringing about by degrees and more  
im-

imperceptibly, an evil which would prove equally unprofitable to all.

I set aside the outcry against the interest yearly paid to foreigners, as the produce of the sums vested by them in the funds, because I think ruin impossible, where the money borrowed, at 4 or 5, is laid out at an interest of 6, 7, or even 10 *per cent.* I likewise overlook the declamatory complaints on the fate of the handicraft and husbandman; because the laws of *Lycurgus* should be revived, or the government must confine itself to protect those two classes of men against every sort of private vexation, and to secure to them the trifling salary to which they are every where and forever doomed. In spite of avarice the salary must be raised, if the prices of every necessary should increase; and were these to fall in their value, mutiny itself could not prevent a diminution of wages.

That part of the people which truly deserves, and should engage the attention of government, is that crowd of dependents, in the other class, of which I have already spoken: like the cultivator and artificer, they have no other stock than the passions and wants of the *capitalists*. These  
would

would be much more wretched than the others, if the education they have received, carrying their thoughts constantly and in spite of themselves beyond the present moment, government should in a manner compel them to center them all within that narrow space. The merchant never has more in the funds than that portion of his capital, which, for the moment, is useless to his trade. The farmer, and the proprietor who manages his own estate, *considered under these two heads*, have at no time in the funds more than that portion of their capitals, the actual use of which upon the lands they cultivate, might turn rather to their prejudice than profit. The annihilating of the public funds, or, in other words, a partial reimbursement, a gradual discharge of the debt, could therefore affect those three orders of stockholders no farther than to deprive them of this way of increasing their capitals, without running any risk; and those are, undoubtedly, the smallest part of the sums which constitute the national debt. Which is, then, the order of citizens that receives the larger share of the interest funded for that debt? It is that multitude of dependents whom the political œconomy of society has doomed to toilsome occupations useful to that society, or to laborious studies, of which that very society

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daily

daily reaps the benefit: it is to that multitude of widows and orphans of both sexes, whose future support the unfortunate class above-mentioned thought to have secured by means of the present privations which they had imposed on themselves: it is to those children whose elder brothers are in possession of all the family real estate, and whose parents hoped to have fixed their condition and settled their fortune by the only means that can effectually obviate, not the injustice of an unequal division, since it is admitted, but the inconvenience resulting from the indivisibility of the landed property, which devolves to the eldest.

Yet if, in a State, we must be father, brother, sister, widow, orphan, *capitalist*, in fine, or without a capital, but with the faculty of acquiring one; which, then, is the class of citizens interested in paying off, either totally, or in part and by degrees, the national debt, when once it is incurred? Besides, if the reimbursement cannot be effected but at the public expence, what advantage will the public derive from this operation?

*Objections*

*Objections of another kind against paying off the  
National Debt.*

THE nominal amount of a loan which nothing obliges us to repay, is a matter of a very little importance; the interest agreed upon for the borrowed sum, is the only thing that deserves attention. The total of the interest in *England* is now about nine millions, three millions of which could not be procured but by laying taxes on those objects which had hitherto escaped the penetrating eye of the financiers, and by doubling or trebling the impost on those which appeared less liable to the inconveniences attending such an additional increase.

Before I examine in what mode the taxes operate, I shall suppose, for the satisfaction of the sensible and benevolent mind, that this formidable burden falls only on the consumer of such objects as are taxed. The only plausible aim of a reimbursement, is a diminution of the taxes which lie so heavy on that consumer; but the misfortune is, that the only means of refunding, is to devise new taxes, or increase the former ones. Besides, if this in-

erease be trifling, the reimbursement cannot be effected in less than a century. I freely confess, that in this case, the proprietors of the public funds would be less aggrieved, having then sufficient time to think on the less disadvantageous modes of replacing their stock ; yet, I repeat it, not less than a century would suffice to discharge that very debt ; and the public being a little more burdened annually, than they would have been had not the project of paying off the debt been started, would have no other compensation for the additional burden, than the distant prospect of a general release in a hundred years.— If the intention is, to bring about that release within a period which, to the fiftieth part of the present generation, gives the hope of enjoying the effect of it, I agree, that by means of one million of additional taxes, and some financiering tricks, the whole debt may be liquidated within the space of 40 or 50 years ; and then, that part of the present generation which may exist at that *most gracious* period, will, perhaps, bless the hand by which it shall have been relieved. But would that same hand be, till then, entitled to the like blessings from the unfortunate who should be reimbursed, and from those at whose expence this operation would be effected ?

A first

A first difficulty attending the objects under examination, is, that on every head requiring an explanation, a multitude of questions occur, which must be previously discussed; yet, with the utmost candour I confess, that there is not one among them which is not above the extent of my abilities. I shall therefore offer my thoughts on the subject with all that diffidence which results from such a consciousness. Partly by chance, partly from some other circumstance, as little glorious almost, or as little humiliating, I have been so often in the right, and so often in the wrong, that I should not be now more surprised at the one than proud of the other.

Another inconvenience is, that a picture, which, in its *ensemble*, might hold out, through a thousand incorrections and as many essential defects, a grand subject which, to become generally interesting, seems to wait only for the pencil of a skilful artist, viewed, unfortunately, by pieces, (and indeed it cannot be viewed otherwise,) presents at each time, nothing but a singularity, an oddity, which will cease to be so only when brought near to another; and this last, nevertheless, will require the same indulgence in order to its being rightly understood. The picture which I have presumed to take in hand is, I

think, nearly of this kind. My wish, and a bold one it is, would be, that no judgement be pronounced on any of the particular parts, till they have been seen all together; for there are but few of them which, till another has been examined, is not liable to very just objections: and under each head I have answered to those only which it was essential to refute, that the reader might be able to go through the whole of the exhibition, which, had the plan of it been presented in the first page, might have subjected the book to be committed to the flames without mercy, and, indeed, without much apparent injustice.

I now resume my subject, after a digression that may be looked upon as a preface, which the reader may perhaps think might have been spared.

In the age we live in, to justify a necessary impost, by the pretence of paying off the debt, would be, of all state manœuvres, the most unpardonable. To lay heavy burdens on the people now, so as to liberate them in the space of a century, is, independent of a great many more improbabilities, to suppose, in the plan of administration, an immutability which it cannot give itself, and which does not, nor ever can exist. To leave the individuals of a nation in possession

possession of all, that it is not indispensable to take away from them, in order that, with what they have left, they may acquire that which it will be perhaps necessary to deprive them of, is a principle, the absurdity of which it would be no easy matter to evince; but, to crush them under such an additional weight of taxes as would be necessary to exonerate them forty or fifty years hence, would be, in my opinion, attempting a measure, some of the consequences of which have no doubt escaped the attention of the proposers.

What may be the immediate effect of a considerable reimbursement, which even solely depends on the produce of taxation, and by no means of a real increase of specie in the nation? It consists in refunding to the lenders a sum which must cease to be useful to them, till it is replaced somewhere else; and obliging them to vest it, without loss of time, on that portion of the debt which is not yet acquitted.—But this privileged portion, which, previous to the reimbursement, was supposed only worth 80, and produced four, (it may be observed that, in the numbers, which I fix upon, I only look for terms to explain my meaning) will be worth 90, and presently 100, yet will not bring in more than *four*.

It may be answered, the stocks rise, public credit increases.—We are not yet come to this point; but the fortune of the repaid stockholders, which does not consist in a nominal capital, but in the revenue it produces, will therefore, in fact, suffer a diminution of one whole fifth. What will then become of that fifth of the taxed objects consumed by them, and which they can no longer purchase?—It will, in my opinion, be necessary either to put a stop to the manufacturing of that fifth, and throw so many hands out of employment, or else lower the prices, yet continue to levy the tax, and then the manufacturer will complain of the burden; or, in fine, this fifth, now useless to the nation, must be exported, and this adds to the first inconvenience resulting from the tax imposed for the reimbursement: for, after all, if taxation operates in the manner it appears at first sight to do, that is, if it diminishes the means of consumption, then, by laying 1,000,000 of taxes appropriated to the liquidation of the debt, you have diminished your home-consumption, it matters not of what articles; you have diminished it, and still more so by the incapacity, to which the creditors paid off are reduced, of consuming that which they did consume previous to the reimbursement. Your exportation, it may be said, is by so much more

more increased, and enriched.—Granted;—but at whose expence? Who is to profit by it? In what manner are the returns to be made?—When foreign trade augments in proportion to the increase of the produce and home-consumption, it is easily conceived, that if the money imported does not exceed the proportion necessary to answer that double increase, the progression being equal every way, each article (money among the rest) will keep up to its value; but if the number of representatives is increased without any addition being made to the objects represented, is not the price of representation thereby diminished? Or, in other words, if you add to the real stock of money in the nation, at the expence of part of your own consumption, (which is the object in question) will not the price of the other parts of that same consumption rise in spite of you?

Besides, by diminishing, in any quantity whatever, the general mass of home-consumption, (and in the present supposition you may well think that it has decreased, both by the tax imposed and the reimbursement made) have the sums appropriated to that part of the consumption, annihilated by you, been withdrawn from the circulation? If not, then by adding thereto the increase of that balance in your favour,  
which

which you pretend to receive from abroad, by what means can you prevent a general rise in the prices, in proportion, not only to the quantity of that fatal money imported, but also to that cash, which ought to have been buried under ground, that it might, at least, only prove useless, after the home-consumption has undergone the diminution occasioned by the reimbursement and taxes? This is not all; the unfortunate creditors who have been paid off, already reduced from five parts of what they enjoyed, to four only, will certainly, soon after you shall have put the said balance into circulation, become unable, with the *four* that remain, to purchase more articles than they could have procured with *three*, previous to the tax and reimbursement.

Will you pretend to say, that this money does not circulate within the nation? that it becomes the source of a new trade? and that the exporters, instead of over-loading *England* with that specie, send or carry abroad the value thereof from *Spain* into *France*, *Germany*, and *Russia*? —that is to say, after having reduced the home-consumption, the exporters, who, rightly enough, are not willing to lose, will contribute to extend the internal consumption of *Spain*, *France*, *Germany*,

*Germany and Russia, and of course the ways and means of these different nations, as well as the produce of their taxes, in the same proportion as those objects have decreased amongst you.— Could this seriously be your intention?*

But if it clearly appear, that the execution of the refunding plan would prove equally pernicious in its immediate tendency, both to the creditors who would be compelled to accept of it, and those at whose expence it must be effected, what then might be the case, if the interest of that debt, which ingrosses so much the public attention, being paid by *all*, were, in fact, paid by *no one*, but for so long a time as nature, assisted by all the calculations of individuals, may require to correct the errors of those upon a larger scale, *made by administration, when administration is capable of making any.*

*In what manner the Interest of the National Debt will be probably paid off.*

IT is the most generally received and best respected opinion, that taxes should in preference be laid on the articles of luxury. There is not a man possessed of the least feeling and honesty,

honesty, who does not approve of this maxim, and whose wish has not often been that the wealthy only should pay the taxes. Canting enthusiasts further add, that the expence and luxury of the rich, prove the ruin of the nation. Be it so. But when the question is, to define what is luxury, in order to subject it to a tax, every individual exclaims, that it begins precisely with those articles which the mediocrity of his means, places above his reach. Instead of laying a tax on beer, would it not be better to increase that on hackney-coaches? says a porter who is stopped at a crossing, by one of the above vehicles; whilst the supposed idler who sits in the coach, and pays for it, exclaims, at the sight of a gilt carriage, that crosses and stops his way: What! 500*l.* laid out on a single article of luxury! Would it not be better to tax the owner by so much, and apply the produce to the maintenance of fifty poor objects during six months? But, my dear Sir, the manufacturing of this very carriage has maintained a far greater number. If you begin with the man who extracted from the mine, that gold, which, with indignation, you see glittering on the wheels; if it is not beneath you to notice the child employed in driving away the flies that might have hurt the gloss of the varnish when first laid on; and if you

you end your list only with those who, instead of horses, dragged the carriage into the coach-house of that stately man, whose pomp gives you so much offence; would it have pleased you more if all those hands had been paid for doing nothing? The rich man alone, say you, ought to pay the taxes: but it is impossible that they should be paid by others, "*if it be true, that every man, destitute of a capital, can pay nothing but at the expence of the capitalist.*"

It would be a difficult matter to trace out, with exactness, the progress of the taxes; but it appears to me, that whatever be the mode of establishing them, there is not a subject who does not contribute his share sooner or later, unless nature should annul the burden, even before the clashing of private interests should have succeeded in settling the division upon equitable principles.

The downfall of *England* was foretold at her very first loan. This prophecy did not destroy the means of funding, on a very solid basis, in the year 1762, that part of the national debt, till then unfunded. Now I would ask the man, whom I should know to be most intimately persuaded of the dreadful effect that must be produced

duced by a debt of 64,234,595*l.* incurred from 1754 to 1762, in addition to a still heavier one, contracted since the time when the total amount of the landed revenue was rated at 32,000,000; and the value of the lands only at 320 millions; that is to say, at about double the value of the whole national debt as it stands at present: I would ask that man, I say, whether, between the years 1763 and 1775, he has been able to discover in any parts of *England*, one single symptom of decay, either in agriculture or commerce, any diminution of public or private enjoyments, or less insolence amongst the common people, by which one may surely judge of the alterations which may happen in their circumstances. This general observation may suffice to make us look on the period of 1775, as presenting a state of things, which, supposing it had been prolonged, could not have held out any alarming prospect. Every one worked or enjoyed, and every body was paid. All this, methinks, might have continued on the same footing to the end of the world, without any alteration on the former or subsequent fortune of any one, such only excepted, as industry, activity, imprudence, and foresight, must occasion in all countries where justice is blind, and has but one scale.

I readily

I readily acknowledge, that at that period a grievous war broke out, which did not conclude till 60 millions, nominally 100, had been added to the old debt, or, to come more directly to the point, till the nation had been loaded, or, if you please, crushed under the enormous weight of three additional millions interest to be paid annually. But in what manner will those three millions, so heavy, so dreadful, affect the interested parties? In my judgement, it will be the same with this additional burden, as it has been with the six millions which the said parties were wont to pay before the last war. It certainly must have been felt at first by every body, except the trading part of the nation, whose first operation ever was to add to the price of the taxed commodities, both the amount of the tax, and the benefit of the advance to the consumer. (AND THIS IS STRICTLY CONSONANT WITH JUSTICE.) Now these consumers are of two sorts, viz. the proprietor of lands, and the proprietor of money: the latter must also be considered under a two-fold point of view, as a capitalist for himself, or as a dependant who receives the money from either of the two proprietors. The proprietor of money, from the nature of this instrument of trade, is a being merely passive;

twenty

twenty shillings, which he is paid for interest, can *currently* enable him to purchase such articles only as *currently* sell for 20 shillings. If the taxes had increased, by one tenth, the price of all the commodities which he used to consume before the war of 1755, it is clear, therefore, that in 1763 he had lost one tenth of all his *possible* enjoyments: I say possible; for the monied man, I speak in general, saves enough, annually, to strike an advantageous balance against the inconveniences *inseparable* from his capital; I mean that progressive and unavoidable depreciation of money, so long as there will be mines opened, and taxes to discharge. But he can effect it with the greater ease, as his stock often returns 5 *per cent.* whilst the capital of the landed proprietor brings him in hardly four, and often less.

The *dependent* proprietor of money had also his resource; he, by degrees, obtained an increase of salary; (AND THIS IS STRICTLY CONSONANT WITH JUSTICE.)

Neither was the landed proprietor without his resource: he gradually raised the price of his goods, and would have increased it to the level of the whole amount of the produce of industry;

dusttry; (AND THIS WOULD HAVE BEEN STIRCTLY CONSONANT WITH JUSTICE.) But nature very often anticipates the execution of that very equitable measure, by another operation which is as infallibly the consequence of peace, as taxes are the effect of war, ever since the abolishing of personal service. The 10, 15, 20 millions, which government had borrowed during the war, were nothing more than a part of the capitals which in happier times might have been laid out in the improvement of cultivation and industry. Peace brought them back to their destination; an increase in the quantity of the produce of lands was the consequence; and an equal increase in the demands of the productions of industry, occasioned by the former, kept up the price of every thing, *by facilitating to the one, the means of purchasing what the other wanted to dispose of*, and by presenting an increase of resources to that increase of population, which as certainly results from peace and plenty, as mortality does from war and scarcity.

I now return to the three millions interest brought upon this nation by the last war; and I demand, what reason can prevent similar effects resulting from similar causes?

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Yet,

Yet, in order to obtain a complete idea of the whole burden of this *formidable* debt, we must suppose that the full amount of it was contracted during the last war; and then we shall see how many millions of guineas it would really cost *England* to pay off for ever the interest of all her successes and miscarriages from the beginning of this century, if the 9 millions of taxes should be now established in order to supply the interest of the debt of 238 millions.

It will appear hereafter, that 9 millions of taxes laid on the articles of consumption, would increase, by about 14 millions, the price or nominal value of the whole produce of industry, rated upon supposition at 56 millions. Now it seems to me equally unjust and impossible, that the total amount of the produce of agriculture should not thereby be increased in the like proportion: I beg to be allowed this supposition, until I assign my reasons for it, and bring proofs sufficiently positive to ascertain the fact.

Be it supposed, then, that the collective revenue of land and industry do amount to 112 millions, independent of the taxes.

Let

Let us equally suppose that 40 millions sterling, in cash and paper currency, would be necessary and sufficient for the circulation of the said 112 millions.

Fourteen millions, in taxes, and in the advanced prices which must follow, are one eighth of 112 millions revenue, which, by the necessary rise in the price of every thing, is carried to 126 millions. Now, 5 millions in cash and paper currency, are likewise one eighth part of the supposed 40 millions necessary for home circulation.—It would then cost *England* only 5 millions in cash and paper, once found, to secure for ever, and in the most permanent manner, the interest of a debt of 238 millions, the very idea of which shook the firm nerves of the *Walpoles*, the *Humes*, and of the many experienced men, on whose authority it was no weakness to tremble, before investigating a matter, which nobody, in my judgement, had hitherto attempted to examine.

All the operations of Nature are slow, gradual, imperceptible; and how is it possible to trace her out in her progress, when, in the measures which lead her to the general good, she has recourse only to that multitude of private

interests which seemingly tend to destroy it? Yet, in order that we may form some idea of her operations in the point in question, let us execute, in an instant, that which she would effect in half a century, if it were possible within that space of time to incur a debt of 420 millions, without any augmentation or decrease taking place in the landed revenue.

*First Hypothesis.*

Let us suppose, that, instead of appropriating the capitals that have disappeared, either to undertakings relative to agriculture and industry, (which would have trebled the real revenue,) or to those wars, either successful or grievous, that have left behind them only a frivolous or bitter recollection—let us suppose, I say, that Government should have, till this day, thought of nothing but making public establishments, and that every contributor to the public expence, being permitted at last to live up to the full rate of his means, should find the fruit of his former privations, in a multitude of monuments, such as the most luxuriant fancy can conceive, from the wisest disposal of the capitals, and of the time necessary to incur a national debt, the interest of which, added to the increase resulting from the taxes, should amount to 32 millions

millions, upon an aggregate revenue of 64 millions, in which agriculture and industry should have an equal share. Such, nearly, was the state of the nation, under *William and Mary*, as we have already observed.

The tax laid on the produce of industry would double the 32 millions: this is just; nor can it be doubted; for there is not a manufacturer, whose goods or produce have just been taxed, but will acknowledge this truth. Besides, the *British* Parliament avows it. What remains now, is to convince the landed proprietors, that by doubling also their 32 millions revenue, they injure no one whatever. It is needless to prove, that if they act otherwise, if they be only passive when the manufacturers are so justly active, they must be reduced to plough those lands that acknowledge them for their lords,

Previous to the tax, the 32 millions landed revenue, used to cost, annually, to the landlord and farmer, 9 or 10 millions, paid to the cultivators, and laid out in other expences. Such is the rate; nearly one third of the revenue, (See *A. Young's Political Arithmetic*.) Before the tax, industry must have laid out amongst

the handicraftsmen, nine or ten of her 32 millions.

By doubling, therefore, the price of labour in agriculture and industry, the labouring people of both, will, under the numbers 18 or 20, have what they had before under those of 9 or 10; and these two great engines of national wealth will no ways be clogged.

As for the two *capitalists* in land and industry, it is clear that each of them will have exactly the faculty of preparing, buying, selling, consuming, and saving, under the denomination of 30, 40, 60, &c. all that they could prepare, buy, sell, consume, and save, under that of 15, 20, 30, &c.

Before we attend to the lender, let us advert to the State; and let it be observed, that *in the case where 20 millions of cash and paper currency would have sufficed for the circulation and national transactions of all kinds, at a time when both revenues amounted to 64 millions, it is enough to find out 20 millions more, whenever, by the effect of taxation, those said revenues are raised from 64 to 128 millions; and from the instant that those 20 millions in cash and paper currency are obtained,*

*obtained, you may flatter yourselves to have established, funded most firmly and for ever, the interest of a national debt of 420 millions, the interest of which, would at 5 per cent. amount to 21 millions.*

It is not yet time to examine what influence so considerable a rise, in the price of every thing, might have upon the foreign trade; but let us turn our thoughts to the interest of the stockholder, who has so generously lent his money. It will be said, that he is evidently injured: *the interest due to him on account of his loan, was equal to two-thirds of the landed revenue: the land is mortgaged to the creditors of the state: two-thirds of the neat revenue belong therefore in fact to the lender. A few years more, employed in erecting useful buildings, bridges, causeways, &c. the whole landed revenue must have been absorbed, and the lender have entered into possession.*

Such is nearly the result of Mr. Hume's reasoning on this pretended *mania* of supplying the wants of the State, by mortgaging its revenue. Let me be permitted to urge a few words in answer, on behalf of the landed proprietor.

Whatever use the sums borrowed are put to by government, in this respect the nation and

the lender stand nearly in the same predicament as two individuals who should have set up an undertaking at a joint expence: when it is completed, each of them first takes back his capital, before they share the profits. In point of national enterprises, is war the object? The profit is existence and glory, if the war has proved successful. Are public establishments in prospect? Then the lender shares in their utility and comfort. Has the employing of the capital been productive neither of glory, nor public establishments? In a word, is the State reduced to its primary and bare existence? The capital lent will not, at least, be lost to the lender, *if administration think fit to observe how little it costs to be just*; and the lender, on his part, will reflect, that he should not have been a greater gainer, had he buried his treasure during the time of national distress; and that, had he lent it to individuals, he might have lost it entirely.

What I have just said, will, I think, suffice to refute the extravagant pretensions which Mr. *Hume* is pleased to suppose in the lender. What I shall add, will also be sufficient, I hope, to quiet the scrupulous minds of those who might entertain some doubts on the injustice of  
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despoiling the landed proprietor; I mean, the injustice of any kind of spoliation, but that which may be the consequence of his own extravagance.

That man who gives up his land for the annual quit-rent of a quarter of wheat, and two shillings when the wheat was at four shillings only, supposed he had entitled himself and his heirs to an income of a quarter and a half of wheat; yet his representatives enjoy, at this day, only one quarter, and the 18th or 20th part of another.—Will these insist, that the meaning of the landlord having been to secure, and that of the tenant to grant, such a portion of the landed revenue, as might be at all times equal to a quarter and a half of wheat, it is unjust to act in direct opposition to the intention of the contracting parties? This objection would appear very forcible, and yet would go no further than to prove, that, when a proprietor gives up his land for an annual consideration, he ought to stipulate that it should be paid in kind, if he means to keep up to the same income; if not, the landlord must be referred to the terms of his contract.

The state-creditor stands in a far more disagreeable predicament; he cannot even suppose,

pose, on his part, an intention hostile to the general good. Whoever lends to the State, knows that the latter cannot pay the interest it submits to, but by taxes, which, in the long-run, affect every thing alike; and that one must cease to be a consumer, if he would forbear coming in for his share. Now, whilst the exigency of the State requires fresh loans, and course additional taxes, whoever advances of the stock, the interest of which is paid by means of those very taxes, cannot entertain any hopes of avoiding their effect, unless it be for a short period, which depends entirely on the adopted scheme of finance. Some of these schemes extend, others shorten the round such taxes must go through, before the burden falls equally on every shoulder, *and becomes null by its universality*. I say *null*, all injustice set aside, which is inseparable from some sorts of taxes, of which I shall speak hereafter; but, I add, *strictly null*, even in regard to the lender, although the price of every article be raised, whilst his revenue alone continues on the same standard. And I ground my opinion on the following reason, which appears to me unanswerable: The difference between the interest of money, and that of landed property, is always a sufficient indemnity to the monied man

man for the rise, occasioned by the taxes, on the prices of the produce of land and industry; but *nothing can compensate the landed proprietor for that pretended increase of wealth called Money, or that supposed poverty known by the name of Taxes, but a proportionable increase in the price of his goods\**. A word more on the lender. One may take the part of that important individual, who accumulates those savings by which the State is to profit. It is allowed, I say, to support such a man even against the State, when the State attempts to reduce him by an useless reimbursement, by an *unnatural* operation; but he

\* This idea is the more to be attended to, as, supposing it were possible that an increase of coin, within the nation, should enhance the produce of industry alone, the landed proprietors would certainly be obliged to petition for an act of parliament, *prohibiting the importation of bullion, for fear it should be turned into coin*; just as they would be obliged to pray for a tax on the productions of the earth, if none but the taxed articles were to increase in price.—We now petition against taxes; we should then pray to be taxed. This would be no bad subject for a Comedy, if attempted by a writer who would handle it properly. I hope the labouring man would be allotted a very bustling part; that is, he would engross the best wishes of all good men, and command the attention of all those who do not think themselves entitled to that appellation.

he should be assigned his real rank in the State, that he may not complain of the *natural* reductions. In this case, I think, we should be more just, more humane, and more equitable, than Mr. Hume, when, in the continuation of the scheme of national loans, he offers to the posterity of the present owners of landed estates, no other prospect than that of serving, as coachmen, the descendents of their footmen, and no other means of averting the prophecy—but a *bankruptcy*. (*Vide Hume's Public Credit, Essay IX.*)

*Reflections on the two foregoing Articles.*

IF it were very true, though upon the first blush rather strange, that after an operation so simple as that of increasing the price of the whole mass of commodities, or rather suffering it *naturally to increase*, in proportion as the taxes and the effects produced by them enhance the price of all the products of industry, which are to bear those taxes—were it true, I say, that after so plain, so simple an operation, it would suffice, in order to secure for ever, in the most efficacious manner, the payment of the interest on any given national debt whatever, to find, *once for all*, in cash and paper, a sum which would exactly be, to the mass

mas of the specie and paper already in circulation, as the interest of the debt, and the reactions of which I shall speak in the sequel, are to the mas of the two revenues—were it equally true, that those who are to be paid that interest, should, *after these two previous data*, have nothing in the world to dread but the reimbursement of a principal, the interest of which should appear so oddly secured, it would then be impossible not to confess, that *England* has hitherto been a prey to great uneasiness, with very little foundation.

It would then be necessary to conclude, that all other nations were greatly in the wrong to think that *England* had any reason to be alarmed.

It must, in this case also, be acknowledged, that *France*, in 1720, very unreasonably cut asunder the *Gordian* knot of her difficulties, by declaring in substance that she owed no longer 15 millions *Tournois* of the debts which she had contracted; since, without so barbarously cutting the knot, and thereby effecting the ruin of thousands of wretched beings, she would have secured their fortune by imposing without mercy, or rather with judgement, a tax of 75 millions

millions on all the produce of industry, which this tax would not have raised by one twentieth part; whilst an *Arrêt* from the council, permitting *then* the exportation of grain, which was not allowed till 50 years after, would have proved more than sufficient to enhance, as it must have done, the price of commodities, in order to make amends to the landed proprietors for the increase which they would have found in the products of industry.

Above all, it would be necessary to admit, that no minister, in any country, could, for the future, without a horrid perverseness, without a want of judgement bordering upon insanity, propose, neither all together nor separately, expedients as shameful as they would prove useless; and that no individual could hereafter dread such measures, without being guilty of folly. What a security, then, for the Subject! what an advantage to the State! what a *facility* for Administration!

Under this point of view, the idea I start deserves to be examined; but I once more entreat the reader not to pronounce finally upon it, until it has undergone the full exposition which I propose to give it. Nor shall I think I have

have written in vain, if I succeed only in making it appear so feasible, as to induce some abler hand more deeply to investigate it. Where is the man who would not wish to find it true? where is the man who could have an interest in finding it otherwise? I confess, perhaps to my shame, that it has engrossed my attention for a long series of years; I apply it to every thing, I square it with every thing; and the more I consider it under all the suppositions which my fancy suggests, the more I compare these suppositions with all the facts which it is possible to ascertain, and which seem to bear any relation to the subject, the more am I convinced, not only that the matter stands thus, but even that it is impossible it should be otherwise.

In fact, if I return to *Great-Britain*—

It would be absurd to suppose, that the taxes necessary to discharge the debt incurred during the late war, exceed the twentieth part of the value of the products both of foreign and national industry, consumed within the country. In this case, is it not impossible that the additional tax of a twentieth, in whatever manner it may be assessed on the mass of those products, should not enhance, by a twentieth, the value  
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of this very mass? Let us call it a fifteenth, all kind of reaction included.

Is it not impossible that this additional fifteenth on the price of the products of industry, be not followed; sooner or later, by an equal augmentation on the productions of the earth, unless the proprietors of land should submit to diminish, by one fifteenth, their own consumption,—the home consumption (*the only one that secures the prosperity of the State*) and diminish it, in order to increase, by so much, the exportation, according to the ideas commonly adopted; which would be as contrary to the facts that I shall adduce hereafter, as it would prove hostile to the interest of the State, to the interest of the proprietors, and would operate in direct opposition to the spirit of the tax, *which is certainly to produce its own amount, without taking the trouble, every year, of going in search of it to Lisbon.*

Is it not impossible that the augmentation of one fifteenth, upon the price of every produce in circulation, should require any thing above an additional fifteenth, in the sums which had been hitherto sufficient for *brokerage*, and the transports of all kinds of property?

Is it not impossible that this fifteenth, both in new specie and paper currency, once obtained, the interest of the latter part of the debt should not be very firmly established, *funded*, without any one being the worse for it, *if the price of labour increases like that of its produce?*

Such, I repeat it, such will be, in the last analysis, the result of the underworkings of nature; of nature, ever more slow, but ever more skilful in repairing evil than men are in creating it; of nature, who, as good at all times as the bread which she breaks to her children, fills up without intermission, incessantly levels, behind them, and unknown to them, whilst they are amusing themselves or playing tricks upon each other, all those little furrows which they imagine will be left to the care of their posterity.

Some one, no doubt, will exclaim against this additional fifteenth upon the prices of every commodity; an augmentation which I have represented as the only remaining trace of a war, which, for five years, attracted in both hemispheres, the eyes of all whose brains were not heated by it. I shall grant therefore that it was necessary to add thereto,

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First, the trifling difference which must result from the impossibility of a thorough good understanding between the interested parties, together with the intention, not very liberal, but natural enough to each of them, of gaining more than they can lose.

Secondly, the difference, perhaps more sensible, which must follow the method so much boasted, of taxing in preference, those objects which are consumed by the rich; as if it were possible to apply to any object, an extraordinary portion of a given revenue, without taking off that very portion from some other article, the consumption of *which is equally necessary to the subsistence of artizans of another kind.*

Thirdly, and in fine, the far more considerable difference which must be produced, *especially in England*, by another kind of taxation, of which I shall speak hereafter.

Nothing contributes so much to render a question undeterminable, as to perplex it with a multitude of accessaries, each of which would require a separate dissertation; consequently, nothing can render the solution easier than to reduce it to the smallest compass. Some other person will, no doubt, do much better,

ter, what I can do only according to the extent of my abilities; nor did ever an author peruse his own work with more pleasure than I shall read the production of any one who shall throw the light of evidence where I can only form surmises. But if it be true, that after a short space of time, without any other assistance than the natural clashing of one interest with another, taxes, *judiciously laid*, are hurtful neither to individuals nor to the State,—would it not be better to labour with care to *lay them judiciously*, than to think of a reimbursement, the only effect of which will be to diminish, for a short time, amongst some individuals, the power of paying those very taxes?

I beg permission to add a word more on this fatal reimbursement.

*A Thought substituted to that of a Reimbursement.*

TO write in *England*, nay, to write with obstinacy against the plan of a reimbursement, the necessity of which is acknowledged by the whole nation, who expect wonders from its execution;

to write for the purpose of persuading that such a step would equally militate against the interest of the State, and that of the subject; and especially to hazard such visionary ideas at the moment when *France*, so clear-sighted on her own interests, is herself busy in effecting a like reimbursement. . . . must surely be the attempt of a man hired by the *French*, to excite, if possible, some ferment in those heads which are all wound up to calculation; and to raise, during the little time the calculations will require, some plausible doubts, in order at least to delay the effect of so salutary, so essential an operation; for, *France* is so interested in the ruin of *England*, that she ought to spare no means to stop her, were it but for an instant, at that point which it has not been possible to prevent her from attaining.

On the other hand, to write in *French*, and endeavour to introduce into *France*, a pamphlet in which the author does not profess himself an admirer of a reimbursement, the possibility of which, now clearly demonstrated, has excited there a general enthusiasm, a kind of rapture the more excusable, as the most evident disorder in all parts of the finances, during the space of 80 years, did not permit even the humane  
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and sensible mind to form a single wish for that very measure of which the execution is so certain, and the advantages pretended to be so positive . . . It is suing with impudence for the good graces of a nation, to which I have, as it were, been turned over by the cession made to it of the country where my fortune lies : it is ridiculously flattering myself that I shall justify by a *trait* of unbridled licence, the title of *Englishman*, conferred on me by the treaty of peace.

It is certain, that more than once a man has been most secretly accused, tried with the greatest expedition, condemned without being heard, and punished with merciless severity, in consequence of charges much less specious than the above ; for I confess that there is a faint glimmer of plausibility in the heads of accusation which I have brought. But, in the end, justice must be done ; and, thank heaven, my present trial is on the very first instance, brought to its last stage ; the public shall be my judge ; they shall be put in possession of all the documents relating to the trial ; and I presume to hope, that no one of those who shall be able to bear the perusal of them, will suspect my sincerity when I protest, that, without any other motive but that

which has at all times invariably guided me through life, I would burn this paper, if I could find therein a single word that might be hurtful to *France*—I would burn it, were I to find therein a single word that might be hurtful to *England*—I would burn it, were I to find therein a single word that might give offence to any individual of either of the two kingdoms.—But I freely own, that my ambition would be far from receiving its full gratification, were this work to prove useful only to those two parts of the world, however brilliant the part they act therein.—URBI ET ORBI.—*Shakespear* says that the Warrior seeks “the bubble glory” in the cannon’s mouth:” a man who presumes to think, looks for it in the bottom of his inkstand: their hope is not always crowned with success; nay, very often, the one meets only death, and the other contempt. Yet there are some lucky chances: sometimes the former saves his country, the latter is sometimes serviceable to all mankind.

Be it as it may, I intreat the reader to observe, that the principles I lay down do not tend, by any means, to lessen the public credit, to spread any doubt on the faculties which *France*  
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and *England* have of effecting the reimbursement which both these nations have in contemplation ; I maintain, on the contrary, with the simplicity of a *child*, that it is a *childish play*, for the one as well as for the other. I say, that the one who appears the most distressed of the two, and is the most taken up with her pretended distress, has only to take from the *pocket* of one, what he will be very *averse to give*, and put it into the *hands* of another, who will be equally *averse to receive*. I say, with respect to the nation, which *now* acts the most brilliant part, that all she has to do, is to give, to those who do not ask for it, a sum of money which she receives, and has no occasion for ; *to give it*, I say, for fear of being solicited, importuned, and teased, to make a bad use of it, or else be obliged to hoard it up, to the very great detriment of circulation. I shall add now, that a business, which to me, does not appear a *childish* one, but really that of a man, would be to examine, whether the 40 or 50 millions of livres annuity, which are about to expire by degrees in *France*, and the million, or million and half sterling of taxes to be levied in *England*, over and above the sum necessary to pay the interest of the national debt, and other state expenditures, will be better employed in the diminution of some private revenue than in

the increase of the general wealth in both States; that is to say, whether it is most advantageous to pay off the creditors, who, by such a reimbursement, will be compelled to place at 4 and at 3, what brought them in 5 and 4 *per cent.* than to lay out the money, for the purpose of increasing, perhaps by one fourth, the products of agriculture and industry, by a faithful and judicious repartition of those sums upon the cultivation of some millions of acres, which now yield nothing but brambles, or yield only the half of what they ought to produce.—How many of this description are to be found both in *England* and *France*! — This is not all: how many kinds of taxes, the effects of which have not been sufficiently searched into! How many more, whose pernicious consequences are fully known! How many more, the levying of which can be justified only by reason of their produce being wanted, or by *the supposed* impossibility of a commutation!—Ought the State to reimburse, before those have been scrutinized, these repealed, and all commuted which shall appear evidently to militate against sound principles?

The great art does not consist in finding, at pleasure, one million sterling more in *France* as well as in *England*, or *vice versa*. Heavens! what

what kind of minister would that man be, whose genius could not discover, in either kingdom, in the multitude of objects truly susceptible of taxation, a number of articles capable of furnishing that million annually, without injuring the general consumption, beyond the first year at the worst? The only difference which, in this respect, I might point out between the two nations, is, that in *France* the impost would be registered, and paid after the usual remonstrances; and that in *England*, were the tax to have been devised, even by Supreme Wisdom, on the actual system, all those who might think themselves directly or indirectly interested in the operation of the tax, would not fail to clamour as loud as possible, and not without reason; for, after all, if the objects taxed, are equitably taxed, and in a due proportion with all the rest, why, out of 160 objects and upwards, already charged with equity, should *ten* be picked out to be overloaded with a new burden?—Has at least a rotation been established for the future?—On what principles? Or does it evidently appear that there can be no fixed one adopted on so important a matter?—If a tax is offered to be laid on such articles as have paid none hitherto, then *Opposition* stands on firmer ground; for, are not those objects, by their nature, evidently as sacred as the ark of the Lord? Did ever the least scrupulous,

pulous, the boldest Minister of the finances, dare, to this day, to lay his hand upon it?—Would he have respected it, if he had not trembled for his head; that is, in plain *English*, for his place? For, thank Heaven, there is no necessity, now, for the *English* to be more hot-headed than any other nation in *Europe*. It is generally acknowledged among themselves, with true *English sang-froid*, that, on the part of those champions of patriotism, who, according to the interest of the day, charge each other by turns with selling the people, and betraying the *SACRED constitution*, all terminates now in the most exact change of admirable farcasms, and exquisite railleries. The pleasure of being a Minister because *the minister alone can do what is good*, and the concern at not being a Minister, *because the minister alone can do what is good*, are now productive of nothing more in *England*; and the People, as well as the King, are not worse served for it, nor are they worse informed: witness the speeches on both sides.

Amongst the questions which I have mentioned, and many others always appropriated to the subject, there are some sufficiently weighty to puzzle, in *England* as well as in *France*, the respondent who should be obliged, before a tax is laid, to answer them in a *satisfactory* manner.

Luckily,

Luckily, as I have already mentioned, in *France*, thanks to the monarchical constitution, the King *commands*, the Parliament remonstrates, registers, and the People pay: and, as is known to all the world, thanks to the free constitution of *England*, there the King *demand*s, the parliament debates, grants, and the People pay. With that facility which exists every where, of doing what is not palpably absurd, I think it might be possible now, without bringing credit or authority in question, to renounce the little vanity of devising a productive tax; and that a man of common abilities ought to confine himself to the establishing or maintaining order and clearness in the accounts, to the diminution of expences in collecting the revenues, and to fidelity in the use of them.—But the true, the unacquired glory to be obtained by a financier, would be, I think, to hit upon a simple scheme, the application of which might be obvious in all cases, a scheme productive of no fruitless evil, permitting all possible good, and which might, by degrees, be substituted to those vague taxations, to those *taxations* founded on false principles, to those wild notions, which, by adding *five* to an article not worth *three*, raise nevertheless that object to *eight*, and leave the trader at liberty to sell that for *fifteen*, which he sold formerly at *four*. It is true that, on the first exigency

exigency of the State, they pretend to remedy the abuse by an additional tax called *licence*, or by any other name which answers the same purpose, and compels the peculator to refund part of his extortion. But what does this licence come to, after all?—*To sell to a man the right of ransoming more severely the public, after having previously furnished him with the means and pretence for doing it.*

No one doubts, in *England*, but that the system of *French* taxation is a very bad one; nothing so self-evident as the reasons adduced in proof; every thinking man in *France* approves of those reasons:—but does it clearly appear, that in *England* some parts of that system are not adopted?—Is it not true, on the contrary, that it has prevailed, for a long time, in one point truly essential, in regard to which they have but diminished its inconveniencies, without thinking perhaps of the injustice, which is as inseparable from it, as it is from those wherein it appears more evidently?—The advantage of taxing the consumption is generally acknowledged; it is as generally believed that the way of bringing this system to perfection is by taxing, above all, *the consumption of the rich*:—yet, were it to happen that  
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the poor should be more injured, and that for a longer time, by a natural effect of the very operation devised for their release, than he could be aggrieved if nothing should escape the tax. . . . .

I shall venture to throw out some thoughts on these different objects, after I have examined whether the necessity of a balance of trade, constantly favourable, be not as doubtful as that of a reimbursement, and a bankruptcy; and whether that balance is really such as many people imagine it.

*General Balance of Trade in England.*

WHEN the proprietor of a considerable sum in the *English* funds examines Sir *Charles Whitworth's* truly valuable work, *State of the Trade of Great-Britain*; he thanks his stars, and says, "I have nothing to fear whilst the balance of trade continues in favour of this kingdom; but the moment it shall turn against her, recourse must inevitably be had to the expedient so long postponed: the application of the *sponge* is inevitable."—

I have perhaps already said enough to animate the greater part of those, who are concerned in  
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the public funds of every enlightened nation, against every other fear but that of a reimbursement; but, as it may be believed, with regard to the public funds in *England*, that I have reasoned on the supposition, generally admitted, of that balance in their favour, of which the *English* are so jealous, I would wish doubly to strengthen the mind of the parties concerned, by proving to them that their fortune rests on a basis much more solid than that of a pretended *favour*, which the private interest of every merchant, vigilantly repels, whilst the fancy of the body at large happily confines them to believe in the idol, and to invoke it.

I am indebted to the details contained in Sir *Charles Whitworth's* work, for the advantage of applying to real facts, many reflexions which I had digested before I had read that work; but I was, till then, reasoning on *hypotheses*; I now reason on what so nearly approaches reality, that it is necessary to controvert my arguments, instead of consigning their foundation to the system of chimeras.

By means of that valuable work, I see, from the year 1700 to 1775, and that in the greatest detail, strengthened by all the proofs that the  
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nature of the subject can admit of, a constant superiority of exports, which, in the space of 75 years, amounts to the enormous sum of 267,774,769 *l.* (I have overlooked the fractions of each article.) This is, in the total amount, much more than one half of the gold and silver imported into *Europe* from *America*, during the same lapse of time; but, of this period of 75 years, 30 must be attended to, wherein the superiority of *English* exports comes up very nearly to five-sixths of the general importation of those two precious metals, *which were to make good so many other balances.* We should also observe, amongst those years, a most flourishing one, wherein that *English* favour absorbs, as it were, all the silver imported into *Europe*; and five other years still more wonderful, where it surpasses that general importation by 10, 12, and even 1300,000 *l.*; for, in 1750 the general exportation of *English* goods exceeded the importation of foreign produce, by 7,359,964 *l.* and yet all that product of the *mines*, belonging to *Spain* and *Portugal*, is estimated only at 6,000,000 *l.* sterling *per annum.*

I shall suppose, for a moment, that, during the space of time I have just mentioned, the balance of trade did, in reality, produce to *England*  
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an importation of money, to the amount of 267,774,769*l.* (for the reports of the Custom-House, as stated by Sir *Charles Whitworth*, brought in as a proof of that pretended, uninterrupted balance, in *favour* of the nation, mean what I have said, or mean nothing at all, in regard to this matter; they do not prove one penny if they do not prove the whole sum). It is true that, according to the same reports, we must deduct for the money exported from *England*, during the course of those 75 years, about 105 millions, by which the nation at least got rid of a surplus which would have strangely disparaged the price of that which was preserved in the country: but is it very certain that the 162,774,969*l.* the precious *nett* of the pretended balance, was actually preserved? This appears to me impossible, for the following reasons, which may perhaps furnish us with the means of knowing, precisely enough, in what the true balance consists.

Since the beginning of this century, the real and nominal value of the revenue in the other parts of *Europe*, has doubled, as well as in *England*. Now this augmentation, in the products and prices, has required, every where, a proportionable increase of the means of circulation; and

*Spain*

*Spain* and *Portugal* are nearly the only two sources from whence that increase of means could be procured.

In the supposition that the revenue of *England* constitutes one tenth of that of *Europe* (it is a great deal), the other nations composing that part of the world were of course obliged to endeavour to secure the nine tenths of the money necessary for their own circulation; and their success in this is the less questionable, as, in case any one of them should be short of money for the circulation of its property, the *English* themselves would eagerly supply that part of the precious balance, which it might want, because, in this case, the importation of money into such country would prove more profitable than an importation of fresh goods, whilst the old ones, carried there already, waited for money to circulate them. Hence it may be concluded, that the *English* never had, or at least have not preserved, more than their tenth, twelfth, or rather, more than their natural portion in that absolute mass of gold and silver necessary to the circulation.

I shall now say, that it is not even probable that they have preserved that *quota*, necessary every where else for the circulation of a

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revenue

revenue similar to theirs, because *England* is, of all known nations, the one where the circulation of property of all kinds, requires a less quantity of real cash: the merciless severity of the laws against debtors, the general credit which it encourages, the use and indubitable value of paper currency, which are derived equally from both, are three objects which, in this respect, set *England* far above *par*, in comparison with all the other nations who have neglected to secure to themselves the same advantages.

Might we not further say, that *England* evidently has not thought proper to get that *quota*, which she might have claimed, since one third, and perhaps half of her circulation, is effected by paper-money with more dispatch, with more facility, and with as much solidity as if it were effected by cash?

It will be asked, perhaps, if I pretend to infer at last, that the exportation has not been so considerable as it ought to be supposed from the statements of Sir *Charles Whitworth*? I shall answer to this, as to many other queries; it may now be seen that a few millions more or less, are a matter of perfect indifference, in regard to my main object. The exportation from *England* is clearly

clearly prodigious ; its immensity is proved by that of the tonnage of the shipping employed for her trade, 775,624 tons in the years 1771, 1772, and 1773, (see *Chalmers's Estimate*) ; this point is established beyond all equivocation. What I refuse therefore to the imagination of the trader, is solely what appears to me chimerical and useless in that favourable balance of money ; and this *I refuse*, because I cannot possibly but acknowledge ; that every trader has too much good sense to act against the general interest of trade, when such operation must, at the same time, prove contrary to his own interest. Nay, is much more than plain instinct wanted, not to import money which yields a very trifling benefit when there is no demand for it, whilst one may take up foreign goods, on which there is a certain gain of 10 or 12 *per cent.* because they are eagerly fought after ? and when, besides, the nation, on a certainty, will not finally pay for them but with national goods, since she has no mines of her own ? I must observe, indeed, that this very trader, guilty of such an act of *impatriotism*, of this national crime of importing merchandize instead of gold and silver, cries up, as loud as any other, *the necessity of striking a favourable balance* ; but private wisdom gets the better of public folly ; every one imports such

goods as he is in hopes to sell to advantage, and leaves to his neighbour the care of importing that *favour* on which no profit can be got.

What is then the quantity of bullion really imported every year into *England*?

It is incontestably, in the first place, so much of it as is necessary to answer the progressive increase of the prices and products, both of the land and industry; the bank-notes cannot suffice to that augmentation, but in their ordinary proportion to the real specie in circulation; all supplement of bank-notes, which in the needful hour exceeds that proportion, must soon be replaced by real specie; on this exactness stand the credit of the Bank, and the vast advantage accruing therefrom to the public, and to the State; but from thence also results a greater inutility of accumulating money before it is wanted.

It is, in the second place, all the bullion necessary for the labouring gold and silver-smiths, from the first gold-smith in *London* to the last plated-button maker at *Birmingham*.

It is, thirdly, all that importation which is required to make good the *deficit* occasioned by

by petty stock-jobbing, and the melting down of guineas, which no workman will ever scruple, when there will be a few more pence to be got that way, than by the purchase of bullion, or as often as, having no bullion at hand, he shall find himself in the immediate necessity of working.

It is, fourthly, all that which is wanted to replace the few guineas carried away annually from *England* by travellers, smugglers, or by means of some inferior transactions in trade, and which cannot always be exactly balanced by the contraband trade carried on elsewhere by the nation.

Ever since the *English* have acquired the immense landed revenue which they possess in the *East-Indies*, it is probable they do not carry there so much money; yet some must be sent there. The above five articles are the only ones I know of, which may render necessary an annual importation of money. The first of those articles is absolutely independent of the caprice of any one; it is always subservient to the quantity of effects to be put into circulation, as well as to their price; and can at no time deprive the other parts of *Europe* of their share in the mines of *America*. The third and fourth are in a manner included in the first; nor can they, when viewed

separately, be very considerable: The second alone is truly prodigious, but is likewise subservient to the demands of that very silver when wrought, that is to say, converted into some articles of luxury: But it is necessary to observe, in regard to this, that great care is taken to find out purchasers for that metal thus improved by the hands of the workman, not only in *England*, but wherever people can possibly be found willing to take from her, that part of the precious balance, which she had taken upon herself, only in hopes of getting rid of it.

This I think is sufficient to demonstrate the impossibility of that pretended *favourable balance*, amounting, in the space of 75 years, to 162,774,769*l.* the existence of which many people imagine to be real, from the statements of Sir *Charles Whitworth*: for, if they would confine themselves to say, that, in the course of 75 years, *England* has profited in trade to the amount of 162,774,769*l.* I have proved much more, since I proved (p. 17 to 22) that all the benefits which have accrued, and might now be spent, form together a solid mass of clear and palpable savings; and that this mass would now be, without doubt, 332 millions, instead of 162, had the 180 millions, lent by the

the subjects to government, and swallowed up by the war, been laid out in the improvement of lands and industry.

As to the inference that might be drawn from the apparent exportation of 105 millions of money, during the same period, according to the above statement, it is also necessary to make an observation on this matter.

In any grand mercantile operation, where prompt and certain remittances are required, be the motive of such operations what it may; if there goes out of *England*, we shall suppose, 400,000*l.* in bullion, this very same bullion, after the bargain is struck and fulfilled, either in goods or in bills of exchange, comes back to *London*, to resume if necessary, the same course three weeks afterwards: For the space of 40 years, therefore, the same sum may an hundred times be placed in the catalogue of exports, and perfectly answer to a capital of 40 millions, the place of which it has really supplied: This is a well-known resource; nothing then can be concluded in regard to the 105 millions of bullion exported, according to Sir *Charles*, but, that there ever has been, and probably ever will be, in *England*, all the bullion neces-

fary to answer the exigencies of the most unforeseen and extraordinary negotiations of all kinds, and industry enough to recall in time, that bullion which had only been given as a pledge. It is like a jewel worth 100,000 crowns, which, for the space of 20 years, is said to have passed ten times backwards and forwards from *Paris* to *Amsterdam*, but finally remained at *Amsterdam*, by a reason contrary to that which keeps up the commercial shuttle between *England* and *Holland*.

In order to come as close to the point as it is necessary, on a matter, besides, of which it is equally useless and impossible to obtain an exact knowledge, here follow some facts, the essential results of which by no means depend on more or less exaggeration in the exposition either of the sale, or of the credit.

The period from 1764 to 1773, must be allowed to have been the most flourishing era of *Great Britain*. During those ten years the exportation of *English* merchandises into *Spain*, has exceeded the importations from *Spain* into *England*, by 5,095,998*l*. In the same space of time, the balance of trade between *England* and *Portugal* has been 3,274,133*l*. in favour of the former. The two favours united, amount

all

all together to 8,370,131l; add thereto the favourable balances of *Madeira*, and the *Canary* Islands, paid probably in *Spain* and *Portugal*, amounting, in the same space of time, to 516,863l.—the total presents us with the aggregate sum of 8,886,994l. which, divided by 10 years, proves an annual balance, in favour of *England*, of 888,699l. real money.

The light of probability now begins to dawn upon me: at least I here find myself at the source of money; and, as I know, first, that *England* must absolutely be provided with a certain quantity of it, whatever that quantity may be, for the five articles before mentioned:

Secondly, That she exports, of her own goods, fifteen times as much as she need to do for that purpose:

Thirdly, That gold and silver are to *Spain* and *Portugal*, what wines are to *France*, silks to *Piedmont*, hemp and timber to *Russia*; and that, in order to procure those different articles at the easiest rates, they must be fetched from *France*, *Piedmont*, and *Russia*:

Fourthly and lastly, that *Spain* and *Portugal* stand

stand exactly in the same need of making away with the surplus of their gold and silver, as *England* does of acquiring it, by getting rid of a surplus of her manufactures: I cannot therefore entertain the least doubt, but that it is at *Cadiz* and *Lisbon* that *England* procures all that gold and silver which is indispensably wanted for the five operations spoken of; and I must positively conclude, that there she has taken the whole quantity which she had occasion for; but I as positively conclude, that she took up only so much of it as was wanted, when I see that it depended entirely upon her to take more, and that she has not done it: A decisive point, which I cannot by any means call in question, when I have convinced myself, by Sir *Charles Whitworth's* statements, that this sum of 888,699*l.* which *England*, if so disposed, might have procured annually during the ten years above mentioned, is no more than the balance of 1,785,826*l.* in goods exported there, one year with another, during the same space of time:—For, after all, why should not *England* have taken in money the amount of 897,137*l.* of *Spanish* and *Portuguese* goods, taken by her ships in return, were it not that the value of money, as that of all other kinds of merchandise, is always tyrannically fixed by the demand?

It

It seems, therefore, probable enough, that the money annually imported by *England*, during the period aforesaid, does not exceed the 888,698*l.* of the balance which appears against *Spain, Portugal, Madeira, and the Canary Islands*: But here follows a strong conjecture, that it is not so considerable as it appears by those accounts.—It is an uncontroverted fact, that the article of exportation is always exaggerated more or less; the man who first bethought himself of this harmless cunning, fancied that his own importance would appear more conspicuous to the nation, by reason of the quantity of goods which he might seem to export: this is now the secret of the play-house, every body knows it; but this practice is in a manner become necessary: one must unblushingly raise himself above his level, in order to be thought in his real place; the only way of deceiving in this respect, would be to speak the truth; and, in this case, the deceit would fall on the deceiver himself, and that just regard which the exporter has a right to claim, would be lost to him: Add to this necessary artifice, which is no longer a cheat, the usual mode adopted in regard to importation, the value of which is always a little under-rated, but only a little, because there might be some inconvenience in cheating Government

to

to excess. With these trifling modifications, I think *England* will be found not much above the *par* of her *quota*, in the gold and silver imported from *America*.

Now, out of these 6 or 700,000*l.* in money, which I believe are really and annually imported into *England*, what quantity is sent to foreign markets,—not, indeed, before its value is considerably advanced by the workmanship?—But, if this metal be so precious, why part with it when once acquired? Why not employ the workman upon objects, the price of which would have received a ten-fold increase by his labour? Why should these continual prophana-tions of the sacred metal be permitted? Why give encouragement to that kind of prostitution of gildings of all sorts, which daily consume such quantities of gold? It is said, that in *Birmingham* alone, they consume 30,000*l.* worth *per annum*:—And shall it be on a metal thus lavished away, shall it be on that pretended balance, that *England* will build her resources, and the security of her creditors?—In what consists, then, the wealth of the nation, that wealth which is truly independent of all circumstances, and which will ever be superior to the national wants?

It

It consists in any sum whatever, money and paper currency, which is required to keep in the utmost activity, 3,000,000 of cultivators, 3,000,000 of tradesmen, and 3,000,000 of other consumers, as indispensable to realise the value of the objects by them consumed, as the tradesman and cultivator are necessary to produce them:—And if any question should arise on the number of inhabitants,

It consists in the number of men necessary to furnish annually exports to the value of fifteen or sixteen millions:—And if it should be urged that this exportation is over-rated,

It consists in the number of men capable of making up that quantity of exports, which is annually required for a trading navy of 775,024 tons, on the statement of which there cannot arise a single doubt.

It consists in a population necessary (which doth really exist, and could not be dispensed with) to find, without any other inconvenience but a momentary sensation, the 100,000 seamen of the royal navy, the 70,000 national foldiers, and the 3 or 400,000 artificers, and other persons employed in every way, who, by the last war,

war, were for some years taken away from their daily and useful occupations, some monuments of which would probably have been transmitted to posterity, in order to their being employed in all the accidental operations that were requisite to carry on those destructive plans, which have left nothing but a sad remembrance behind: *A remembrance, nevertheless, of which the most allowable pride should allay the bitterness.*

It consists also, perhaps, in that revolution, which must have been effected in the mind of every intelligent *Briton*; by the demonstration grounded on experience, of the impossibility of doing beyond a few minutes, with a given number of men, more than that same number is capable of effecting habitually, and without fatigue.

It consists in the impossibility of not doing, even to the end of ages, with a given number of industrious men, all that which the same number have executed during 80 years, not only without exhausting themselves, but rather, on the contrary, still increasing their strength and wealth.

It consists, in fine, in the demonstration which will become daily more palpable, that labour

bour alone is the source of that wealth; that the more the sum of this labour shall augment, the greater will be the increase of riches; but that this same labour will not reach its last degree of activity in *England*, till it is nearly in the same state in *Siberia*; and that there is no great harm in an *English* mechanic creating a cultivator in *Siberia*, or even in *France*, provided a *Siberian* or *French* mechanic, create a cultivator or mechanic in *England*.

*Reflexions on some private Balances of England,  
both of the favourable and disadvantageous  
Kind.*

IN the small number of disadvantageous balances, the necessity of which is so grievous to *England*, I distinguish that with *Russia*, which, in the course of the ten years above mentioned, amounts upon an average to 825,212*l.* annually. This, in fact, is more than enough to swallow up the 6 or 700,000*l.* of the favourable balance, during the same period, against *Spain* and *Portugal*, the only sources almost of the precious metals; luckily the expence of *Russia* in gold and silver is ascertained, as it is every where else, first, by the quantity of coin in circulation,  
a quantity

a quantity always proportioned to the price, as well as to the number of objects to be circulated; and, secondly, by the degree of ease, riches, and pomp, which the generality of private faculties can admit of, in the articles of furniture, plate, and dress: The introducing of gold and silver, above the quantity necessary to answer those various purposes, would, as the case is every where else, prove entirely useless; for it can hardly be imagined, that so wise a Princess as the Sovereign who now holds the sceptre of *Russia*, should think of hoarding up, before her 20,000,000 of subjects be as rich, that is, *do produce and consume as much as a similar population might produce and consume in France or in England*: Now, to hoard up would be the infallible means to prevent it. Let us now suppose, that the annual importation of bullion necessary for the circulation in *Russia*, amounts to one half, or even to an equality of what is wanted by *England* for the same object:—It is probable that *England* contributes thereto no more than her proportion, as the other maritime States, who, like her, are obliged to provide themselves in *Russia*; and, consequently, the disadvantageous balance of *England* with *Russia*, can no more demonstrate that the former exports there annually 825,212*l.* than the balance in her favour

favour against *Flanders*, clearly proved by the accounts of Sir *Charles Whitworth*, can demonstrate that the above province is by her stripped of 521,201*l.* annually.

A publication truly interesting, would be a work containing a particular account of the trade of each country, were it only such as that which Sir *Charles Whitworth* has given on *the trade of England*; but though such a treasure is wanting, yet it appears to me, that to have a clear idea of such a work, would be sufficient to foresee what would be the result of it. All men are alike: one may therefore, without fear of deceit, suppose in the merchants of every country, the same attention to swell up the list of articles which pay no duty, and which give a trader the petty consequence of a more considerable exportation; every where might be found the same exactness, *in a contrary sense*, in regard to goods liable to an importation duty; consequently the balance struck at last would be in favour of the nation whose accounts should be then inspected: but deduct from all those favourable balances, that which might have been farther declared on the articles which are duty-free; add to the total of the exports, what has been declared short of the true amount on the objects

which must pay; it would then be found that (the five articles excepted) all is paid literally without having laid out any cash, and that each nation is wisely reduced to the only real advantage of trade, the *exchange of want against fancy, the exchange of one fancy for another, or the exchange of one want against another want.*\*

In fact, how can it be supposed, that a nation who should not sell to one, or to six others, exactly as much as she has purchased from a seventh, should not be, a little sooner or a little later, compelled, either to give up a trade which she must support with real specie, or to sell that at home for *five* in cash, which fetched ten before? Is it not evident, that a nation which should not purchase from one or six others, as much as she sells to a seventh, must, sooner or later, find herself in the necessity, either to hide her money under ground, or to lower its value, so far as to sell at home successively for 6, 8, 10, and 20, that which was sold before at 5? This would exactly have been the case with *Russia*, had the annual balance of £825,212<sup>l</sup>. been effectually paid to her in coin, either by *England*,

\* Since my writing the above I have seen the account-book (*Bilan*) of another nation; I shall notice it in its proper place.

*England*, or by those who stand on the debtor side with *England*, and had the former put it into circulation, instead of laying out the surplus of that balance in the purchase of goods from six other countries, to whom the *English* fold articles to a similar amount: Now the *Russian* trader does not in *Russia* charge 20, for that which, 50 years ago, was sold there for 5: the value of money is not debased there, though *Russia* has annually a claim upon *England* for a balance of 825,212*l.* and, probably, demands not less considerable upon the other maritime powers; *Russia*, therefore, has cautiously avoided receiving those different balances in coin.

Besides, money fetches but its price in *Flanders*, although, according to Sir *Charles*, that province is indebted to *England* in a yearly balance of 521,201*l.*—Nor is money worth above its price in *Germany*, though the latter owes likewise to *England* a balance of 924,709*l.* annually.—In *Ireland* it goes for no more than its worth, though there is another balance due by that kingdom to *England*, to the yearly amount of 770,916*l.*—Nor is it above its value in *France*, who owes to *England* an annual balance of 108,073*l.*—Now, if money is every where nearly of the same value, we must conclude,

that there does not exist a nation which has not found in her annual importations of gold and silver, either considered as money, or as materials for some articles of luxury, all that she stood in need of to keep up circulation, and provide for that degree of luxury, which the *actual* degree of her industry requires, as much as it allows; in this case the final balance, deemed unexact, that is, in *favour of England*, has, in fact, been kept perfectly even. Each has sold here or there, as much as he has purchased, and *vice versa*; and the prejudice *England* entertains on the necessity of a *favourable balance*, has not, in practice, dazzled the eyes of the merchant who carried on her trade: He has rejected the gold tendered to him, when his profit upon it would have been but trifling, with as much judgement as he has, with care, sought after such goods as could then yield him a greater benefit.

*State of the Balance between England and  
Holland.*

SIR Charles Whitworth, in his *State of the English Trade*, rates the annual balance due by *Holland to Great Britain*, at 1,372,258*l.* upon  
an

an average of 10 years : This is the most considerable. There can be no illusion, in-regard to the effect this balance has upon the money in *England* ; it is well known that it does not increase it ; nay, it is thought that the debt due to *Holland*, lessens it annually, not only by the whole amount of the *favourable balance* which would revert to *England* were she not indebted to the *Dutch*, but of one million more, which must be found to pay them off.

I have already said, and repeated, that in every circumstance where it is necessary to borrow or to displace a capital, it is better to borrow, even at 5 *per cent.* than to remove a capital which returns double that sum ; and that, on the other hand, it is more advantageous to lend any sum abroad upon good security at 5, or even at 3 *per cent.* than to lend the same sum at home, where it would yield only 2 *per cent.* or to bury it in the abyss of a Bank, whence nothing returns. Now what proves that *Great Britain* and *Holland* are in this case with regard to each other, is, that *England* seldom or never opens a loan, but what the *Dutch* take a share in. What do they give for the purchase ? Nothing more than the surplus of the ordinary profits arising from a trade, which they cannot

extend sufficiently to employ the whole amount of their savings. And why has this part of the *Engliff* loan been given up to the *Dutch* by the national capitalists? Because the latter could find in their own trade, fusceptible of a farther extension, a way of employing their capitals to greater advantage, that is to fay, of reaping a benefit superior to the interest offered by the loan: How can this be doubted, when we see that the loan falls into the hands of a small number of merchants, who soon afterwards make over their debt? Would they transfer it to any one, were not the interest it brings in, interest secured by the nation, inferior to the ordinary profits of their commerce?

Therefore, if the balance due to the *Dutch* is thought *burdensome*, only in the supposition that it serves to pay *burdensome* interests, it cannot be looked upon in the same light, when the matter rests upon a debt, by which the borrower clears a benefit superior to the interest that he has to pay.—I shall present this question under another point of view.

In the war which was terminated by the treaty of *Paris*, the most considerable part of the debt contracted for its support, was acquired by the *Dutch*:

*Dutch*: Why so? Because the *English*, carrying on, without any opposition, an exclusive trade with every part of the world open to them alone, found therein the opportunity of employing their capitals to a far greater advantage, than that held out by government in the interest of the loan. During the last war, on the contrary, the *English*, being more narrowly circumscribed in regard to their commercial operations, by a navy, the possibility of which they did not even suspect, much less its real existence, and being kept more circumspect by a new system which opened a free navigation to all the powers not involved in war, thought themselves happy to find, in the national loan, an employment for that portion of their capitals, which, from circumstances, was become useless. The interests of the last debt are then due and paid within, and by *Great Britain*; but will it be said, that *England* would not be so rich, were the 3 millions additional interest, with which she is burdened, due to *Holland*, and had the *English*, instead of employing their capitals, as they have done, in support of the last war, made use of them in the same profitable manner as in the year 1755? had that money, for instance, been laid out in the improvement of their waste lands in *Europe*, whilst *Dutch* cash should have

*fought against French money, to determine how many European nations ought to be permitted to carry to North America, the goods of the other parts of the globe!*

As to the full acquittal in money, *real* and *effective*, of the 2,000,000*l.* interest, due to *Holland* for her previous loan, it is improbable, impossible, and useless,

*It is improbable*, because *Holland*, being already overstocked with money, and carefully intent on getting rid of her surplusage in this particular, at the first opportunity of placing it with security, would still lower the price of it at home, were she to increase its mass; and that, on the contrary, whilst *Holland* takes in goods instead of money, she keeps up the interest of the one, by securing to herself a benefit upon the other.

*It is impossible*, because *England* importing bullion from *Spain* and *Portugal*, to the amount only of one third, and being very cautious, as observed before, not to import more than *one third* of what she owes to the *Dutch*, and this, not to pay them, but because this third answers sufficiently to the five articles of which I have spoken

spoken before ;—*England*, then, cannot give to the *Dutch* what she has not received from another, and which she has not of her own.

*It is useless*, in fine, because all accounts whatever are balanced with more ease, in the age we live in, by bills of exchange, than with cash, and because the claims of *Holland* are more naturally paid off, by another debt due to *Great Britain*, for the produce of her exports to some other parts of *Europe*, from whence the *Dutch* carefully avoid, as much as possible, to import any thing but merchandise,

But *would it not be better to owe nothing to foreign nations?* For to this one point we ought to confine all the lamentations about *Dutch* creditors,

The above question, so apparently simple, so readily to be resolved in the affirmative, would grow perhaps more intricate, were it ushered in by some previous queries, which might permit us to foresee the effect of the national wish, when accomplished, if it could be obtained by the easiest answer that could be given ; for the case, no doubt, is not to examine, whether it would not be better to have borrowed, without being obliged

obliged to return, than to pay an interest after the money has been borrowed. In the state of things, the question alluded to, to be fair and within the pale of common sense, must mean nothing more than this: *Would it not be better, that the proprietors of the two millions interest, paid to a foreign nation, should make their residence in England?* And in this case it leads us, by degrees, to the following query: *Would it not be better, if all and every man in the world, who has money to spare, should come to spend it in London?* Then indeed London would be a dear place to live in! And this is, methinks, the most dreaded effect arising from taxes. *O ye, whose covetousness knows no limits but the bounds of the earth! do ye pretend to be the sole inhabitants thereof?* Can ye draw off the capitalists of a country, without completing its ruin? Can ye effect its ruin, without losing both that portion which the produce of your soil secures to you in the produce of that nation's industry, and the share which the produce of your industry has secured for you in those of her soil?

What then appears to me to be the result of this fatal interest of two millions due annually to Holland? — That the latter is essentially interested, not in an increase of the power of England,

*land*, who might make a bad use of it; not in an increase of specie in *England*, which, by lowering its value, must compel her to return that of the *Dutch*, already so much disparaged in their country; but to a further extension of the *English* trade, or rather of the general commerce, which can alone, by advancing constantly, and every where, the quantity and price of the objects that are to circulate, increase in the same proportion the necessity of the *instruments* indispensable to every kind of circulation and undertaking, and keep up in every part, *for the interest of Spain and Portugal, as well as for that of Holland*, the value of the sign intended for a general representation, which *Holland* in her proportion will ever have in greater plenty than all other nations, thanks to the narrow limits of her territories, and to the manners of her inhabitants, which, in all probability, are the consequence of that limitation.

*Balance of France with England.*

OF all the balances of *England* summed up by Sir *Charles Whitworth*, that which is most to be wondered at every where but in *Japan* and *China*, where foreign trade is but poorly encouraged, is the balance between *England* and *France*, these

two

two nations being parted, as they are, only by a simple brook.

The wonder cannot but increase, if we consider with what eagerness those two countries are intent upon improving their trade.

The wonder will still increase, when it is observed, that the *French* carry to the highest pitch their rage for *English* modes, whilst the *English* experience the same kind of frenzy for *French* fashions.

The wonder must increase still further, when it is observed, that the same nations, in possession of the most active and most intelligent industry, are also possessed of all the cash necessary to give an additional activity to that *industry*, which might be required to carry on a branch of trade, as it were, at their door, but which is neglected, out of regard for old and absurd prejudices.

Still must the wonder increase, if it is observed, that a first capital of 200,000 *l.* laid out in that trade by the two nations, would occasion in both, more work in cultivation, as well as in the arts, than 600,000 *l.* which each of them might employ in a trade to *China*, if it were possible to lay out such a sum upon it?

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The wonder will be still greater, when we consider that, *by favouring, with equal care, the imports and exports to and from one country into the other, the two nations would, without the least inconvenience, acquire the means of increasing the revenue of their customs respectively, according to their wants, by agreeing mutually upon a tariff, which would be rated upon the average of those wants; a tariff, which the rest of Europe might adapt to its circumstances, if it were the general intention to increase, every where, the revenue of the State and the industry of the people, in a like proportion.*

This is certainly what the two nations might have compassed. That which follows, is what they have done.

In the year 1699 the exports of *England* to *France* amounted to 287,050*l.* and her imports from *France* to 94,641*l.*—

In 1773, the period at which Sir *Charles Whitworth* closes his statements, the exports from *England* were rated at 285,776*l.* and the imports from *France* at only 44,484*l.*—On this the enthusiastic admirers of the *Balance in favour* bless their stars that their country imports now  
50,157*l.*

50,157 *l.* less in *French* goods, than it did in 1699, and that, in order to secure this advantage, *England* experiences no other damage than that the *French* are fallen in their imports from *England* only 1274 *l.* since the year 1699.

*Further Reasons why all Ideas of a favourable Balance in Money, different from that which I have supposed, should be rejected.*

**G**REAT-BRITAIN is not the only nation that claims a right to that kind of *favour*, which would reduce all *Europe*, in all transactions, to the use of paper-money; but I only speak of *England* in this place.

Money is not hid under ground in a country where administration is convinced, both of the impossibility of the people paying exorbitant taxes, without proportionable riches, and of the impossibility of being as rich as is requisite for the discharge of enormous taxes, when individuals are compelled to appear less rich, that they may be less burdened with imposts.

Money is not laid under ground in a country, where the smallest sum, as it were, equally with the largest, may be placed most securely, till the  
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very moment, when, led by fancy or want, one may think well to withdraw it, and which, from the time when it has been placed, to that of recalling it, produces nevertheless a sure interest, which never was delayed a single minute; an interest, which is a matter neither of reproach nor of shame.

Money is not laid under ground in a country, where the reputation of being rich exposes not the subject to an arbitrary taxation, nor to demands equally ruinous, to informations, extortions, or at least to some injustice in case of a refusal.

Money is not laid under ground in a country, where regard is the appendage not only of wealth, but of credit also, which carries the appearance of, and can procure the former.

Nor is money hid under ground in a country, where it shews the value of a man as positively as that of a piece of goods; in a country, where it is frankly said, *this man is worth a million*; whether this expression be made use of to signify that the possessor of a million is, at least, by the whole extent of that million, far from being guilty of meanness and injustice, or that it be understood that nothing but the offer of another million could tempt him to commit any thing base

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or unjust. Money is never buried under ground in a country, where it acts so essential a part; it cannot then be its fate in *England*: all the money in the possession of *England* stands in full evidence; it consists,—1st, in objects of private luxury, the quantity of which is by no means extravagant;—2dly, in the mass of cash in circulation. Now this very *mass* is despotically determined by the number of affairs transacted, and likewise by the prices and quantity of the property which is to be circulated; yet this mass is, perhaps, in *England* one half less than it would prove any where else, supposing the same objects to be attained; that universal *mobile* is too justly appreciated there, to be lavished, that is to say, to be *turned into cash*, beyond what is required to give credit to the paper currency substituted to *cash*.

I shall therefore ask, In what public funds abroad the *English* merchants vest annually the four or five millions of that pretended *favourable* balance in money, since they do not bury it at home?—There might, it is true, still exist another resource; the general balance is only the aggregate of all private balances.—But is it very certain that, upon an average, the private balances of all the merchants in *Europe*, who correspond with *England*, are annually charged

charged by one fourth of the amount accruing from that correspondence? For if the *English* send them 16 every year, and every year import only 12, their correspondents are consequently indebted to them annually 4 more than they were the preceding year.

The *favourable balance*, as it is commonly understood, is then a mere chimera, which, if realised, would produce no other effect than to advance, at some period or other, the price of a pound of bread to that of a pound weight of gold; yet it results, methinks, from the exports of *England*, almost trebled within a century, that each nation, with whom the former has trebled her trade, has increased her own, at least, by the whole amount of the balance due by her to *England*; for it is beyond a doubt, that one must have three times more to sell, in order to be able to purchase constantly, and pay three times more than he used to do. But from this principle may it not be inferred also, that every nation, wishing to increase her trade, is interested in an increase of the commerce of all those with whom she means to correspond?—If, in order to reduce into practice, if to establish on the most equitable and most solid foundation, a system so truly advantageous to society, Nature had no-

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thing more to combat than private *cupidities*—they balance each other. But how many national prejudices, how many maxims sacred to each nation, how many absurd regulations, springing from those very maxims and prejudices, is she not obliged to modify, as it were, underhand, in their effects! What a number of smugglers does that good mother employ, for the purpose of bringing all things nearer to that *equilibrium*, from which many are still persuaded it is so very material to deviate!

*Equilibrium necessary in all things.—On the surest means of establishing it.*

IT is a difficult matter to guard against a prejudice in favour of liberty, when we consider, that, thanks to the freedom which has always very generally prevailed in those parts of Science, wherein policy disdained to restrain it, we have been taught to weigh air, before any precise idea was obtained on the rule of proportion which ought to regulate matters of exchange. Every thing, in this last particular, is even still merely mechanical; and perhaps if the matter were thoroughly examined, it would be found that there is never too much, nor too little in one of the scales of the balance, but from an effect of  
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the means devised to establish or preserve the Equilibrium. I do not pretend to lay down, for an absolute principle, that the hand of man, like that of the harpies, is only capable of poisoning whatever comes within its reach, and that the wisest conduct would be, to keep it with care from every thing that one should wish to preserve from corruption; such a proposition would, no doubt, prove rather too general; yet one cannot help observing, that there are but few countries where administration has not often, owing to the grossest ignorance, or some principle of injustice, or of a cupidity almost equally blind, restrained some very lucrative *cultures*, to which the nature of the soil and of the climate would have given a perfection that could be attained no where else; or have not encouraged some costly produce, to which Nature refuses those qualities which she liberally bestows under another sky.

Neither can one refrain from remarking also, that from those regulations, and from many more of the same kind relative to manufactories, no other effect can result than that of buying up at home, very dear, and often of a bad or indifferent quality, that which might be purchased abroad of an excellent kind, and at a cheaper rate, and which might be paid for with

the productions of the earth and industry, better suited to the climate of the purchaser.

It is also observed, that, without the interference of administration or of philosophy, the balance between want and the relative quantity of the different productions of the earth, is always, upon a medium, admirably supported by the sole interest of the cultivator, ever perfectly and solely guided by the common demand for each of these productions.

It is also remarked, that a second balance, and a very necessary one, between the mean price of those different productions, is also mechanically established, on the difference of labour and of the capitals, which the same cultivator lays out upon each of them, without any other motive but that of employing with discernment, his hands and his capital, to derive from them the greatest benefit. He never thinks of restoring the equilibrium between the general prices, when the price of the product A has fallen, and when a continued advance on the product B invites him to multiply the latter, by transferring to its cultivation, a more considerable share of his labour and of his capital. Nor does he think of it, when laying out new supplies of labour and money

money if the price of the product B keeps up whilst that of the product A goes on increasing; he does not think of it; and yet, without any other reason or motive than his own interest, he restores that necessary equilibrium. Much less still does he think that an increase maintained in the price of one object, without diminution in that of other articles, bespeaks an increase of the general consumption, which soon must raise the price of every thing. Nay, it is very probable that he will not take notice that he *sells* all his goods at a higher rate, and that he will soon complain of the general advance in the price of all those which he buys, because his interest is his only guide: but this interest is opposed by that of industry; and from this clashing, in spite of the two opponents, arises a new balance, more loaded, no doubt, than the first, but not less necessary, not less equitable, and yet no one has meddled with it.

All these things may be easily observed; but what ought to be more particularly attended to, and what is most overlooked, is the impossibility of ascertaining the difference between the hand-labour and capitals to which we owe the productions of the earth, the knowledge of which is within the reach of every one, and the labour and

capitals to which we owe the productions of industry, in which the workmanship of an article often constitutes the half, and sometimes 99 hundredths of its value: it is a disadvantage against which agriculture cannot be effectually protected but by a competition, which can be the result only of the greatest freedom. The absolute *passiveness*, which, in the above stated circumstances, is sufficient, on the part of Government, to effect the greatest good, appears here indispensable, to avoid acts of injustice. Why should the trading part complain of that *passiveness*, whilst a number of cultivators, proportioned to that of the artisans, produce in the State a revenue equal to the maintenance and support of industry? Now the fact appears the more certain, as, upon the least reflexion, one may be sensible, that if an epidemic disorder should break out amongst the husbandmen only, and thus deprive cultivation of one half of its proper number of hands, the survivors would not fail to increase the price of their labour, and the farmer that of his farm, by so much as would indemnify agriculture for the loss which she might have sustained; and that the advance in her prices would fall off only in proportion as the handicraftsmen without employment, by the uselessness of that portion of the produce of industry,

industry, hitherto consumed by the cultivators who fell victims to the disease, would themselves turn cultivators; an operation which would soon restore the proper balance between the two revenues, as well as between the prices of labour, from which all kinds of produce originate. Let the effects of the disease be transferred from the cultivators to the handicraftsmen, the same manœuvre will be played off by those who preside over industry.

Should another reason be wanted to strengthen my argument in its most essential part, I could adduce an incontestable fact, as little controverted in *France* as it is in *England*, namely, that in both countries the whole of the landed property does not yield three fourths of what it ought to produce.—Then, either the respective industry of the two nations ransoms agriculture, and binds her up, without being suspected of doing so, to that state of mediocrity to which she is reduced; in which case, single out of your regulations, those which favour industry at the expence of cultivation, and endeavour to expunge them, since agriculture stands clearly in want both of hands and capitals; or your industry and agriculture are neither of them nearly arrived to that degree of perfection which they are calculated to

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reach ; that is to say, you have not the number of cultivators which your land can nourish, nor of course, so many artificers as your land can maintain ; in this case also, revise your regulations ; there is not one of them which does not affect your agriculture in a direct or indirect manner ; by her you must begin : cultivators, unthinkingly and without regret, give birth to a race of artificers ;—it is, on the contrary, as it were in spite of industry, and by a kind of reaction which she spares, no endeavours to retard, that cultivators are produced by artificers. *Never will industry lay out a shilling upon the land if she can employ it in any other enterprise.*

But, would the inland trade, without which agriculture cannot subsist, flourish, if foreign commerce should not be encouraged in a particular manner ? And were any circumstances whatever, combined together so as to occasion such an alteration in the price of necessaries, as would deprive industry of the proper means to support abroad a competition which cannot possibly subsist but by an equality of means ; would it not then become necessary for government, to shew a special favour to commerce, intrusted with the care of that competition ? *The manufacturers, in all countries, insist*

*insist so forcibly on such a necessity! The ruling powers in every nation are so convinced of the truth of the above maxim!*

This question, truly important, requires some details on the different causes productive of the alteration in the prices,

Although I may often appear, in the following suppositions, to lose sight of the revenue arising from industry, and pay attention to that of the land only; we must not forget the mechanical principle, or rather the force of Nature, who, sooner or later, in spite of all the subtilty of man, keeps an exact balance between those two sources of national wealth, and causes all the revolutions of the one to be unavoidably felt by the other.

*Various Causes of the Alteration in the Prices.*

AS long as we shall suppose, in a country standing by itself, the same products, the same consumption, the same quantity of money, the same freedom, no reason can ever be assigned for an increase or falling-off in the price of any article generally known, and of general use; but,

*Second*

*Second Hypothesis,*

Let us suppose, that population is doubled as well as the revenue; no alteration can certainly take place in the real value of things;—that value will remain for each article, the same as it was before; that is, *the sum of the labour requisite for the production of that article*.\* neither will the relative value undergo any change; the quantity of labour known, or supposed, in two different objects of a certain consumption, will remain, as at first, the sole criterion for fixing the difference of value in the one and the other. The essential relation of general correspondence between the wants, and the real resources, remaining also the same, there can likewise be no real difference in the situation of any individual whatever; if there are every where two *consumers* to one, the same increase will be found in the number of *producers*. The only palpable, and unavoidable alteration, always grievous when it is sudden, is that which,

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\* Under the idea of labour, I comprise all kinds of capitals necessary to keep in action the labouring man; a stock, or capital, is but an accumulation of savings, made from former labours, whether it represents the savings of a certain number of years, in regard to one man, or those of some centuries, in regard to the nation or some privileged individuals.

in the present hypothesis, must have taken place in the nominal value, that is to say, in the money-price of every thing; for the quantity of coin which was in circulation, being always the same in that country, standing by itself as we have supposed, and without mines, whilst the objects representing the said quantity, had successively doubled, it had been indispensable, successively, either by degrees, or by starts, to come to the point of giving for 2 in money, that which could not be given before for less than 4, or rather of denominating 4, that same quantity of money which hitherto had been denominated 2.—If you look for a precedent of the first effects of a disproportion too considerable or too rapid, between the wants and the demands, or between the mass of coin in circulation, and the number of articles to be circulated, it will be found, in the revolutions which took place in *England*, during the space of two years only, 1288, 1289, the quarter of wheat rose from 1s. to 2s. then to 3s. 9s. 12s. came down again to 2s. was then raised all at once to 20s. and fell at last to 16s. where it seemed to support itself for some years (see the excellent *Inquiry of Mr. Smith, into the Nature and Causes of the Wealth of Nations*); this is the man truly capable

capable of dissecting, as it were, that subject, of which I can, at best, but mangle the *epidermis*.

*Third Hypothesis.*

To remedy the evil in such circumstances, how many expedients are tried, which only serve to increase it! How many avowed depredations upon pretended usurers, before the Sovereign boldly ventures to partake with them in the public execration by ordering a re-coinage, which, under the same denomination, will give but a part of the weight, or of the quality of the former coin! Yet this cannot be avoided. But by ascertaining, as we have done before, a two-fold increase in the revenue, and supposing one million and a half to have been sufficient to the circulation of the first revenue; if the Prince with his 1,500,000*l.* instead of a coinage of three millions, should have struck only 2,400,000*l.*—after some fluctuation, the balance will be restored between the price or nominal value of the negotiable articles, and the quantity of money in circulation;—but what had been sold for 5 heretofore, will then go for 4; the prices will have fallen one fifth, and the circulation will be clogged:—But above all, it should be observed, that *no one will be the poorer, notwithstanding the diminution of the nominal value.*

*Fourth*

*Fourth Hypothesis.*

If the re-coinage has been in the proportion necessary to re-establish exactly the former facility in all the channels of circulation, the former prices will return after the inevitable fluctuations; the quarter of wheat, for instance, which at some period of the revolution, will have been raised to 20s. will fall back to 5s. as it was at the beginning, although the shilling contains only half the silver that it contained at that time, 130 grains we shall say, instead of the 260 or 264 it contained in the year 1300.

*Fifth Hypothesis.*

Now let us suppose, what has happened in all countries, that the Prince and his Ministers have laid hold of the opportunity, the former, to pay the debts he had incurred in the time of national distress and confusion, the latter, to procure a more rapid increase of their fortunes, and that, with the 1500,000*l.* supposed in circulation, they have struck 6 millions, instead of the 3. wanted to answer the real increase of the revenues and of population;—certainly when the calm returns, 10s. will be the price of a quarter of wheat, which sold for 5s. in the *first hypothesis*;—  
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a most decisive argument this, for the manufacturer to sell at 8 that very cloth which went for 4, and an uncontrovertible ground of right in the working people to charge 4*d.* for that which before they performed at 2*d.*—In these two points center all the practical inferences in which any individual in the State can be concerned: yet the shilling will contain only 65 grains of silver, instead of 260;—and if the price of every thing be doubled, it is not on account of the shilling containing only 65 grains in lieu of 260, since, upon this principle, the quarter of wheat must have fetched 20*s.* instead of 10*s.*—but it is because, in all cases, there are two pieces of money to answer the purpose of one, and that *it was necessary, in order that the second might acquire one half of its former value, that the first should lose that very half.*

#### Sixth Hypothesis.

At this period, let it be supposed, that an epidemical distemper sweeps off three-fourths of the inhabitants, and consequently takes away as much from the revenue:—After the terrors usual in such cases, and a score of prophecies, foretelling that Doomsday is at hand, yet will it appear that the world is not destroyed: it will also appear, that the epidemical disorder has  
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not carried off the money, and that it would be wrong not to make use of it.—The specie must of course, lose nearly three fourths of its value if the whole should continue in circulation, because 4 pieces will present themselves to do the office which 1 could perform before the time of the distemper;—the quarter of wheat, at first rated at 5 shillings, sunk to 4 in the *second hypothesis*, then sold for 10 in the *fifth*, will in the present one, rise up to 40, *without any one growing richer or poorer for it*; for, most assuredly, *the price of labour will have increased in proportion to that of its own produce.*

*Seventh Hypothesis.*

The effect would have been the same, if, instead of the distemper just supposed, the general enthusiasm on the discovery of a gold or silver mine, had induced the Sovereign to add to the circulation three times the quantity of specie which had hitherto been sufficient.

*Eighth Hypothesis.*

In the supposition of an event the most opposite to that of an epidemic disease, viz. of the revenue being increased one half, one third, nay, three fourths, if you please, as well as the population; yet the mine yielding a great deal above what is necessary to answer to an increase in all kinds,  
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and the Sovereign being resolved upon a recoinage of the specie, on principles entirely different from the former, that is, by preserving exactly the same number, standard, and denomination of the coin; the number, because it is sufficient; the denomination, because there must be one, and that it is indifferent which it bears; and the standard, because there is no further danger in fixing it; but, by advancing the weight of a shilling from 65 to 86 grains, there will certainly be no alteration in the prices; the wheat will keep up at 40 shillings, and other articles in the same proportion;—and *none will be richer or poorer for it*, although, at the price of 40s. the quarter of wheat, they give, without hesitation, 3440 grains of silver for an article for which they gave 650 only, previous to the epidemic disease, or the opening of the mine, which has produced the same effect.

*Ninth Hypothesis.*

When such revolutions are brought about by slow degrees, no one is sensible either of the effect or of the cause; but, at last, both are attended to. Let us then suppose, that the generality of the people reflect that gold and silver, considered as coin, derive all their value from imagination;—that money is, strictly speaking, nothing more than

than a medium adopted to facilitate the division and transport of all other kinds of property ;—that it is but a sign, the place of which may be easily supplied by any other, which by general consent may be honoured with the same distinction, or ordered for the same use ;—that its value, in this point of view, rises or falls unavoidably, according to its quantity, *without influencing the intrinsic or relative value of the articles it represents, a value constantly determined by the sum of the labour that produces them*, just as their relative, *common* quantity follows, fervilely and closely, the demand.—All these remarks cannot prevent us from observing a value far more essential in gold and silver, considered as metals susceptible of all the forms that can be useful, or can please the eye, while the nature and texture of their parts secure them from accidents equally disagreeable and dangerous, to which all other metals are liable : we should not therefore be surpris'd, if some reflexions, suggested by wisdom and humanity, were to lead us to that point which first originated in the extravagance of ambition, and the rage of politics ; I mean, that, after having considered that no manner of good was produced by that disparagement of coin, which always resulted from its multiplication, and that the health of

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man was, on the contrary, interested in putting to a better use those metals, the quantity of which, being doubled in circulation, only served to double the price of every thing ;—we should not be surpris'd, I say, not only that nothing was spared to encourage the goldsmith's trade, but even, that half of the coin was melted down, and transformed into plate, and the *deficit* supplied by a quantity of *paper-currency*, answering to that of the coin thus employed ; a *paper-currency*, which it would be sufficient to distinguish by some mark or token agreed upon, to give it in circulation, exactly the same properties as that part of the metals which was transferred to a more advantageous purpose.

In regard to the danger of paper-currency increasing above the quantity wanted, it is as little to be feared, and its superabundance would soon be made as sensible by its effect, as that of a superfluity of coin.—If you double the mass of money intended for circulation, how will you prevent such articles as sold for 4 only, from rising to 8, or the additional 4 from becoming useless ?—And if paper-currency be in question, how will you prevent the extravagantly-avaricious wretch, who envies others the enjoyments he denies to himself, how can you prevent him,

him, I say, from observing that paper rots in the ground, and that to bury his wealth he must exchange it for cash?—how will you prevent this want of money, immediately felt, from destroying, without resource, the credit which that mass of buried money had hitherto given to paper-currency? So long, therefore, as the paper keeps up its credit, one may rest assured that the public is not over-loaded with it. I shall, in the sequel, venture some reflexions on the true cause of that part of the increase in prices, which is attributed to the quantity of paper-currency in circulation; contenting myself here with a recapitulation of what I have just said on the different causes of the alteration in prices, according to the foregoing hypothesis, by concluding,

First, That a nation which should rejoice in being possessed (for the convenience of covetous individuals) of a *vortex*, into which they could cast, at pleasure, without profit, but also without anxiety, an immense treasure, which was the produce of the pains taken by so many useful and industrious hands, would, in fact, only congratulate herself on being possessed of the effectual means of robbing the present and succeeding ages, of all the advantages that must have accrued from the use made of that money,

*in any part of the world, where it might have produced, and encouraged a new branch of industry, the reaction of which would have turned to the profit of the nation in possession of such vortex.*

Secondly, That a nation, which should rejoice in being the owner of an immense quantity of coin in circulation, would, in fact, congratulate herself on that want of credit which renders such quantity indispensable.

Thirdly, That as soon as government, in such a nation, should have solemnly given up the right, supposed to be unalienable, of paying its debts, from no other motive but that of extreme honour and benevolence, the nation might then part with half her coin, and without impeding the circulation, increase her enjoyments and her wealth, which can be nothing more than *the total of her annual labour, together with the monuments still subsisting of the labour of preceding years*: a total, which could not but increase in the case now supposed.

Fourthly, That, in regard to the coin, the most wretched paper-factory, assisted with that credit which is founded, not on kindness, but on justice and interest, is far preferable to the richest mine in *America*.

Fifthly,

Fifthly, That the difference in the real value between one article and another, is only the difference of the labour which produces it; and that *all regulation, tending to throw a veil on the quantity of labour contained in one article, is unjust*; since it turns to the prejudice of any individual in the community, *who is not the author of this unknown labour.*

Sixthly, That the nominal price of the *essential* article, to which that of the others must finally revert and conform, fixed at first by its proportion in the quantity of articles to be represented, and by the divisions and subdivisions of the mass of money then existing for that use, this nominal *common* price will certainly rise or fall, constantly, and *without the least inconvenience*, just as that first quantity of coin shall cease to answer, by more or by less, to the quantity of the objects of which it was calculated to transfer the property.

Seventhly, That, supposing it to be a fact, proved incontestably by the mint-registers, and the average price at *Windſor*, that from the year 1300 to 1309, wheat, at its highest rate, was not above 7s. *per* quarter, the shilling weighing 264 grains of silver, which made the quarter come only to 1848 grains; that in the year 1581, the

same sold for 8s. the shilling containing then only 60 grains, which made it exactly 160 grains *per* quarter; and that the same sells now, I will say, at 40s. the shilling containing 86 grains, which is 3440 grains for a quarter of wheat; yet, from these facts no inference can be drawn that could affect any individual whatever, unless it should be proved, that money makes part of our food, or that it is impossible, at this present time, to procure, with any *given* labour, more or less wheat than that identical labour could procure at that period.

Eighthly, That the *real* difference between 1848 grains of silver, and 3440, which is perceivable between the prices of the years 1300 and 1785, would not even be sufficient, were it considered by itself, to invalidate, or confirm this futile proposition, that the mass or stock of money is nearly doubled in *England*; for we have already found, that, supposing the case of an epidemic distemper, which would have carried off three fourths of the people, and consequently reduced the revenue in the same proportion, the price of every thing must have increased fourfold, if the three fourths of the coin had not been buried under ground; we have seen, on the contrary, that it has been possible to withdraw from circulation

tion half of the current cash, and make good this subtraction in a very advantageous manner, by introducing scraps of paper in its stead, without making any alteration in the general prices, or in the least affecting the circumstances of any one, poor or rich, unless some collateral incident should intervene to bring about a change; and the least reflexion will convince us, that the mass of specie might be quadruplicated in a nation, without any material variation in the prices, *if the sum of labour, and of its products, as well as of the consumption, should augment proportionably.*

But, in stating that the only—the infallible reason for the variations of *common* prices in the foregoing hypotheses, is the change of proportion between the mass of specie, or of the paper-currency which represents it, and the articles of which the one, or the other, is to transfer the property, there is no inconsistency in persisting to pretend that taxes add to the former prices, both the amount of the impost, and the profit due to the trader who advances it. But, in both cases the progress is different: in the former, it is the quantity of the specie actually in being which necessitates and fixes the prices; in the latter, it is the necessary advance in the prices,

that *necessitates* and *fixes* the quantity of specie, or paper-money which is substituted to it.— Luckily, as we have already observed, it has been enough for *England* to find, once for all, money to the amount of 5 millions sterling, (cash and paper) for discharging to the end of time, the interest of a debt computed at 238 millions, the same currency.—But upon a supposition that the debt incurred by *France*, from the year 1774, should amount to 15 or 1600 millions *tournois*, and the yearly produce of *French* industry in all its branches, (at the common rate of 1775) be of 2,400,000,000*l.*—the interest of 80 millions and upwards, to be paid for such a debt, requires an adequate increase of taxes:—now, 80 millions *tournois* constitute about the 30th part of the annual revenue produced by *French* industry, the nominal value of which must be increased by those taxes;—but as paper-money does not supply in *France* the place of cash, it has been, of course, necessary to augment by one 30th, the mass of specie, which proved sufficient before the rise in the prices, occasioned by the impost;—this mass, it is said, was rated at 2,400,000,000 of *livres*, the 30th part of which is 66,666,666 13*s.* and 4*d.* *tournois*, a very considerable sum indeed; but nevertheless nothing more has been necessary, to prevent

yent any inquietude on the subject, than to procure that sum, once for all; and, *once for all likewise*, to add thereto the effect of some re-actions, of which I shall speak presently; nothing more, I say, was wanted to secure, in an indefeible manner, the interest of a loan of 1500 millions, and to secure it so as to raise in the minds of the holders of stock to so immense an amount, no other apprehension than that of their being reimbursed.

Some will say, perhaps, "this reasoning is frivolous, and founded on the absurd supposition of a general combination, a kind of universal conspiracy, in order to raise the price of every thing proportionably to the *taxes*." I know that such a combination, such a conspiracy is impossible; I know that there is not in *France* a single edict, nor any particular act of parliament in *England*, to enforce, or even to permit it; but I am sensible that such an act, and such an edict, would be perfectly useless, when I see, that in either of those countries there is not a rational being, capable of reflexion, who will not say, *Taxes occasion a dreadful advance in the prices of every thing*: it is true that the order is sometimes inverted, and then the cry is—*How cruel it is that the price of every article is increased, whilst the taxes diminish our means of purchase!*—But if every article

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ticle rises in a due proportion, we must conclude that there is no alteration in the state of the balance; for if every individual in a nation buys up, every one sells also, one his labour, another his wares, a third his corn; and if every thing grows dearer, except the article you have to sell, you must own yourself completely in the wrong: luckily the landed proprietors are as little in the wrong as they possibly can be; for as often as they renew a lease, they increase their rental, just as if they had got possession of my *little secret*, or as if there were *corporations* also in agriculture.—The agents of industry are still less liable to be in the wrong, for all their operations are founded on the following rule:—*For purchase so much,—for freight so much,—so much for taxes,—to these add my commission or profit—The balance is so much, which I must be paid, as I shall settle with the members of my corporation.* Besides, the commercial part of the nation is too well persuaded how necessary it is to secure a *favourable general balance*, to be mistaken in the means of equipoising their private ones.

It is my opinion, therefore, that one may, without being a conjurer, foretell that the last dreadful and convulsive shock, almost generally felt all over the world, will finally, and in a very  
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little time, end in the loose remembrance of some thousands of hands having been, foolishly enough, taken from their peaceable occupations, very favourable to population, to employ them in forwarding destructive plans, to which many thousands of men have fallen a sacrifice; one might also add, thousands of depredations, some of which, the most pardonable in their nature, have been punished at the gallows: perhaps even they will say modestly in *France*, *We have reduced the English, but we were four to one*—and then *England* will proudly answer, *We have been reduced, but we were only one to four*; nor would it be at all unreasonable to lament, that the value of 4 or 5 millions sterling in gold and silver, fastuously ornamented with the escutcheons of *England* and *France*, to consolidate for ever the interest of 140 or 150 millions, which constitute the last debts contracted by the two rival nations, be not humbly stamped with the puncheon made use of to mark the plate in *London* and *Paris* . . . . but, to suppose that there will be in *London* or *Paris* a single carriage less! that *France* will lessen her importation of *English* goods, or that the demand for *French* wines will be less from *England*—is an idea which cannot, in my mind, coincide with that of a population and industry which hitherto  
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had sufficed in both nations to answer all those different purposes; of a population, I say, and of an industry, which will, in all likelihood, go on still increasing every day, wherever they shall not be checked by the laws.

One of the most fatal effects that spring from that increase in the prices, occasioned by the impost, is, as they say, the impossibility to which a country is reduced, of supporting abroad the rivalry, the competition of a nation less burdened with taxes, who of course can, they say, undersell every thing.

Such is, in fine, the question which I thought the fastidious details I have entered into, ought to preface, and might render of more easy solution. But I request the reader to examine previously,

1st, Whether an accession of wealth, an addition of gold and money to the circulation, would not increase the prices of every thing, as necessarily as taxes must do it;—2dly, If that increase in prices, procured by wealth, would not be accompanied with the same inconveniences in regard to the supporting of a competition abroad;—and, 3dly, If the stranger to whom we should declare

declare ourselves compelled to sell him our goods dearer, *because we are grown richer than the rival nation*, would not have the same answer to give us, as if he were told, *that the cause of the advance in the price is, our being loaded more heavily with taxes.*

If these three questions cannot be answered but in the affirmative, we should then be obliged to suspect that there is something inexplicable, ill judged, and not better grounded in the clamours which resound in every part of *England* on this subject; and this surmise might perhaps incline the reader to peruse, without prejudice, what I am going to set down, with no other view, than to find out some useful truths.

*On the Influence of the National Prices on the  
Sales in Foreign Markets.*

THE impossibility of a competition in trade with those who can afford cheaper, *in money*, the articles which are to be the object of such a trade, is so affirmatively maintained, and this principle is so self-evident, when applied to two manufacturers in the same town, circumscribed in their selling as well as their buying, within the precincts of the same country, where the one should  
always

always procure for 3, what the other would have the stupidity to buy constantly at 4, that it becomes pardonable (if one carries the extravagance no farther) to admit of this idea, taken in a most comprehensive manner, as one of those trivial truths, which are not worth being searched into. But I must own, that my reflexions on the pretended necessity of keeping the commercial balance constantly in *favour*, have made me rather circumspect in giving credit to opinions the most generally received.

It will not be in regard to the situation of a country, which might allege a difference of 7 or 8 *per cent.* in its prices, as an insurmountable bar to competition, that I shall examine in what manner that very competition might be established; I shall suppose a nation in the 6th, 7th, and 8th *hypotheses*, wherein wheat is rated at 40s. *per* quarter, by a series of revolutions in the coin, or a multiplication of taxes, or by an increase in wealth; and I shall place it in opposition to another nation, considered as paying few or no taxes, and humbly consuming her wheat at the rate of 26 or 27s. the quarrer.

In order to render the effects of the disproportion more sensible, I shall further suppose,  
that

that the shilling in both nations equally contains 86 grains of silver at the same standard.

Before these two nations be represented as vying with each other in the foreign markets, I shall, in the first instance, examine, whether it might not be possible to settle between them a direct trade, equally advantageous to both; for if this be practicable, why should not the competition be so likewise?—Is not the trade of each competitor a direct one with the nation, in which he vies?—And if, in this case, there be a sure and equitable principle for one of the competitors, why should it not be so for the other?

*A necessary Principle of Trade, considered both as direct, and in Competition.*

IN all imaginable suppositions, Commerce is nothing more than the exchange of one want against another want, or of one fancy against another fancy; or, in fine, of a fancy against a want. All idea of a commerce between two nations, as between man and man, carries with it two objects different in their nature, or their form; and the relative value of these objects must essentially be previously determined by some general principle, if we mean not to transact business in the dark.

Now,

Now, the nation so rich, or, in other words, so over-loaded with money, as to have raised, at home, the quarter of wheat to 40s. can certainly have no real interest in taking away the small portion of the other, so scantily provided, that she is obliged to sell for 24 or 27s. that which fetches 40s. to the former; for, after all, what would be the consequence of this spoliation? It would serve only to lessen, in the opulent country, the value of the precious metal already so much disparaged there. What then will be the case, if both have sense enough to prefer real enjoyments to chimerical possessions, or rather, profit to loss?

After the first years, destined, since the establishment of Societies, to be spent in endeavouring, if possible to cheat each other, it will certainly become indispensable to agree upon a fixed rule of appraisement, as unexceptionable for one country as for the other. Now, in the supposed state of the question, money cannot be that rule; for one of them demands none, and the other is not willing to part with any, not out of regard for the *favourable balance*, but because she would get less by the exportation of her money, than of her goods; it will therefore become necessary, for the respective advantage of the parties concerned,

cerned, to agree, that the labour of 10, of 100, of 1000 men in one country, shall be looked upon as repaid by the labour of the same number of hands from the other, upon a tacit proviso nevertheless, that the respective merchants in both nations shall have it in their power to ransom their countrymen, according to the proportions established in both countries, *a little* by the degree of estimation in which commerce is held, but a *great deal* by the degree of foreign competition by which the natives are or will be kept or called to order.—And what is required to prevent any injustice, and, above all, any mistrust from the merchant of one nation towards the merchant of the other?—Nothing more than to follow the practice almost generally established all over *Europe*.—The merchant in *Rome*, I suppose, will send his son to his friend in *London*, and *vice versa*. Now if the *Roman* perceives that in *London*, where a quarter of wheat costs 40s. the article he proposes to buy is commonly sold at 80s. he will readily conceive, without having gone through a course of algebra, that some other article, which is bespoke of him in exchange, going for 54s. in *Rome*, where wheat is at 27s. *per* quarter, he will exactly pay, value for value, according to the balance and weight of the commercial sanctuary, the 80 of *London* with the 54 of *Rome*.

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It appears to me that matters thus settled, might remain so for ever, without inconvenience, without any alteration of prices, in either of the two nations, had not Nature, either from mere caprice, or to make men, in spite of themselves, dependent on each other, and oblige them to look on one another as brethren, established certain unknown rules, in consequence of which, that very same wheat, which would cost only 26 or 27*s.* at *Rome*, we have supposed, and 40*s.* in *London*, this same wheat I say, the staff of life all over *Europe*, every where accounted the standard of labour, and every where cultivated in proportion to its common necessity, is at times nevertheless at one place in great plenty, and very scarce at another. Now it seems to be a matter of perfect indifference, that in regard to any other article a merchant should ransom his wealthy fellow citizen, a landed proprietor, by charging him, for instance, 30 crowns for an *English* trinket, originally purchased for no more than 10, as an equitable measure between labour and labour: it is the younger son who robs the elder brother, to provide against the right of primogeniture; or, in other words, it is no more than the transferring of a few crowns, from a very valuable hand, that of the consumer, to another equally precious, that of an agent of the production:

duction : but it is of the utmost consequence for the Sovereign, that, in a time of scarcity, insatiable men, were they even his subjects, do not presume to ask 4000 grains of silver for a quarter of wheat, upon pretence that in *England*, from whence it was imported, they have paid for it 3440 grains, (for it is always upon such *victorious arguments* that the national monopolist endeavours to defend his extortions, in times of distress) ; the difference is so great between 4000 grains of silver, and only 2200 or 2300, the common price by which that of labour is regulated in my hypothesis, that all the treasure shut up in the castle of *St. Angelo* could not prevent half the inhabitants from starving for want of food in a time of dearth. Luckily, however, this misfortune may be obviated by one of the grandest operations in finance, that can possibly be conceived ; for the object is no less than to oblige the people to pay in good earnest for their wheat in a moment of scarcity, at the rate of 4000 grains of silver *per* quarter, a price so far above the means of that very people, to whom the intention is to shew some favour. This financiering operation is founded on the following remark, obvious to the meanest capacity, and perhaps not unworthy of being deeply searched into by a judicious observer.

Were the wheat in *England* to cost only from 26 to 27*s.* per quarter, the landed revenue, now called 63 millions, would, in fact, amount to no more than 42; this cannot be controverted: in this case every thing would be paid for in proportion, and certainly no one could gain, or lose by it: therefore if we invert the proposition, *i. e.* if the quarter of wheat rise to 40*s.* at *Rome*, instead of 27*s.* and the other productions of the earth and of industry rise in price in the same proportion, as well as the labour by which they are procured, the revenue of the Ecclesiastical State, which, in the present supposition, would be only 10 millions sterling, would swell suddenly up to 15 millions, without any one being a sufferer.—When the question is, only to take a *nominal* share in the most dreaded effects of the *English* taxes, in order to procure such an addition of wealth, and get rid, at the same time, of all fear of scarcity, it would be very wrong to reject the expedient.—Money, it is said, is wanted to carry on the whole circulation at that rate;—but, in *England*, where, by a single nod, they attract money from every part of the globe, do they not make guineas with paper?—Why should they not, at *Rome*, make as many paper-crowns as are necessary to facilitate a general circulation of the products

products there? These products are so wisely raised in price from 27 to 40s. that the number of grains of silver necessary to purchase a pound of wheat, made into a loaf, being now nearly upon an equality in *Holland*, in *France*, and at *Rome*, the national trader, whose business it will be to guard against scarcity, and the foreign merchants who will be invited to concur in remedying the evil, will no longer be able to add to the price of wheat, any more than a reasonable compensation for his advance, trouble, risque, and the quality of the service rendered: a compensation besides, on the extent of which it will be much more difficult to impose upon the Sovereign, or any one else, at least beyond a certain degree: to this advantage let us add that of keeping the needy from the thoughts of destroying that wealth which has been gleaned by former services.

In regard to the confidence necessary to favour that paper money, with the same degree of value as that of *England* has obtained, I confess that I do not hesitate to suppose, that the paper-money of a Sovereign is never deemed contemptible, but when an opinion prevails that he himself will despise it; and I dare say (were I to be charged with a want of modesty) that the public is too deeply interested in the inferences that may

be drawn from my arguments, for their consistency or absurdity not to be very soon demonstrated: now, supposing them to be consistent, I think it would be, *then*, beyond all possibility, even to imagine a circumstance wherein the interest of a Prince could induce him to dishonour himself. This great truth, generally acknowledged, could not long remain ineffectual.— But this is not the matter in point.

The case in point is, to observe,

First, that, in the same manner as foreign coin is resolved into the quantity and standard of the metals that compose it, in order to know how much of the national coin may be given in exchange, just so all kinds of foreign commodities are resolved into the quantity of labour contained in them, or supposed to be so, that the quantity of national labour, corresponding thereto, may be ascertained :

Secondly, that therefore, labour alone being the standard of value, *labour* is consequently the only *standard* that can regulate the exchanges between one nation and another :

Thirdly, that the national prices, or, to speak more properly, money is, in fact, the most proper

proper standard of labour between two manufacturers in the same town; and that nothing but the misconduct and unrestrained cupidity of the one, can prevent him from selling his goods at the price by which the other clears a profit that satisfies him; but in each country the common price of labour being arbitrarily determined by the common price of the materials necessary to set the labourer at work, the common price of wheat is, in fact, the measure of the common price of labour in all nations:

Fourthly, that it is impossible a nation should be willing to barter a greater quantity of its own labour, against a less quantity of the labour of another; *and yet it is to such a degree of absurdity, that we must reduce the supposed advantage of the dreaded competition:*

Fifthly, that the liberty of exporting corn, even under its present restrictions, makes, as it were, of all *Europe*, at this day, *only* one family; that, on the whole, there is constantly as much of that indispensable commodity as is necessary for all the family; but that a man whose folly would be to trace out, describe, and acknowledge, throughout every thing that concerns society in any essential point, the stamp of an universal benevolence, determined to unite all men together by their wants and interests if it is impossible to

do it by more disinterested motives, would not prove too inconsistent in a fit of that folly which might induce him to suspect some marks of that stamp, even in the bad seasons, in the storms which successively visit all the parts of the world, make them all sensible of the necessity of such union, and soon bring nearly upon a level, all the different prices of that indispensable commodity, the cultivation of which requires, almost every where, the same labour, or which, by its quantity, always answers, upon an average, to the labour bestowed upon it :

Sixthly and in fine, that hence results the impossibility that there should long subsist, in the prices of any thing, a difference capable of making any competition whatever, formidable *to any man who will not be so unjust as to wish and ask beads of gold for beads of glass, or, in other words, to try in bartering, to obtain the labour of 150 in exchange for that of 100 only.*

Let us suppose, nevertheless, that there should exist at this day, a nation pretending to be formidable in her competition, and who should only be, in fact, remarkable for her folly, that is to say, a nation so very blind, as to endeavour to keep the price of her wheat under that of all other

other countries; I agree that the labour of her artificers would be rated in consequence, and that the produce of her industry might thus be purchased at a lower rate than that of any other nation:—but what advantage could she derive from thence in a competition abroad?—Though she should denominate at home the sum of her exports, only *one million* for instance, because she would call 100, the quantity of wheat, which elsewhere would be called 150, how could she require less for her returns than the other countries, who, by the price of their wheat, would be compelled to call 1,500,000 that which she herself would call 1,000,000?—Would not this million represent, as really, the labour of 75,000 of her workmen (their families included), as if it were by her denominated 1,500,000*l.*?—Besides, the place where she has carried her goods is not the end of her voyage; and it is so much more necessary for her to obtain in return the produce of 75,000 labourers (families included), adequate to what she herself has given, as being obliged to carry those returns home, where every thing sells, in the *hypothesis*, 50 *per cent.* below the price they would fetch any where else, she would lose in lowering the rates of her exports, all the fruit she might expect to reap from her voyage.—This is what escapes observation.

observation. They see nothing but money in commercial operations, instead of observing that all the nations in *Europe*, neither do nor can require, and that *England* herself does not preserve more of it than *the sum necessary to answer those five articles* of which I have spoken in examining her balance: I shall in the sequel bring some proofs, in addition to those I have already given; but I think I have said enough here, to justify me in *insisting*, that the competition can be dreaded by the unjust man alone, by that man who wishes to sell the labour of 100 workmen as if it were the labour of 150, and by that man, not less unreasonable, who, compelled to sell his own goods 10 *per cent.* dearer, should refuse to pay also 10 *per cent.* dearer for the foreign goods which he would ask in exchange.— If that principle—a principle of the strictest justice, is still unknown in *Europe*; as an *American*, I glory that it is not so in *America*.

*Reflexions on a Letter from Philadelphia, inserted in the English News-papers.*

A Merchant of *Philadelphia* offers to his former *Jamaica* correspondents, (see *Morning Chronicle* and *London Advertiser* of June 24, 1785)

to serve them, with all such articles as they may require, at the current price of *Philadelphia*, only with the addition of freight and the usual commission. In order to render his proposal unequivocal, he mentions staves, and makes a calculation, by which it appears that he could not land them in *Jamaica* for less than 12*l.* 19*s.* 1½*d.* currency per thousand; he then adds:

“ By this calculation it appears, that staves  
“ would come considerably higher than they  
“ used to be in *Jamaica* before the war: it is  
“ true they are so, but it is owing to their being  
“ risen at *Philadelphia* nearly 100 *per cent.* Of  
“ course, *Jamaica* prices must be in proportion;  
“ for it would be unreasonable to expect goods of  
“ *Jamaica* at the old prices, when those of *Ame-*  
“ *rica* have advanced so considerably.”

I shall venture upon some remarks on the foregoing proposition.

First, The *Philadelphian* has sense enough to feel, that the war must advance the price of goods from the Colonies, in a due proportion to the general increase in prices of all that is carried there. In *Europe*, on the contrary, people are not only strangers to the idea of that universal chain, but  
they

they are so convinced, or rather so persuaded, that *the Colonies were created, and do actually exist, for the sole pleasure and interest of their respective metropolises*, that no imaginable means are spared to lessen the price of their products in the mother country who receives them, in order that *this tender mother* may sell them at a cheaper rate in the foreign markets; but, ye mother countries! your colonists are also your children, foreigners are only your brethren.—It must be owned, however, that the coffee, indigo, and cottons, of *Jamaica, Grenada, Guadeloupe, St. Domingo, &c.* are no more the *territorial commodities* of *England*, and of *France*, than the corn and other productions of those two kingdoms; and that the arguments adduced in regard to the colonies, are, as *Montaigne* says, *of a piece* with that by which they prove, that, THE CHEAPER THE CORN, THE MORE BRILLIANT IS THE COMMERCIAL COMPETITION.—*Were not Nature by her underhand work constantly fighting, with some advantage, against the dreams of speculators, to what pitch of misery would not agriculture be reduced in all parts of the world!*

Secondly, War has been productive, in the United States of *America*, of the same effects which

which attend it every where else, viz. an augmentation in the price of every thing.

Thirdly, The increase of nearly *cent. per cent.* assigned to the staves, does not determine the general advance of *American* goods; the excessive, but instantaneous price of one article only, denotes an extraordinary demand for that object, and the actual impossibility of answering that demand; the level, so necessary in all prices, naturally returns as soon as the medium of the demand is known, and has determined the number of hands necessary to supply it: now it cannot be doubted, but that the goods in *America* must have advanced in price, much more than any where else, because the expences of the Colonies have been, during the war, relatively speaking, much more considerable than any where else, considering the discredit inseparable from the precariousness of their situation. But the difference between their inland *common* prices, and those of *Europe*, was so great (this will presently be seen), that they may increase them enough to pay off the interest of their national debt, and yet keep the *European* prices at a distance.

Fourthly, The United States are now a foreign nation in regard to *Jamaica*, which belongs

longs to *England*; yet this consideration does not render them so far unjust, as to shake off the burden of their taxes, and fix it on the inhabitants of *Jamaica*; they only make them nominal partners in that burden, (if the expression may be allowed), without any inconvenience arising therefrom to either of the parties.

Fifthly, They have the true notion of an equitable trade, founded on the continuation of former relations between goods and goods; a principle from which I only draw inferences relative to the national debt, and which suffices to destroy all the *hideousness* of that phantom.

Sixthly, They do not pretend, with the *Europeans*, that the increase in the national prices, can in any thing affect their exportation; but they have found, that being obliged to sell dearer, it was their duty to offer very frankly to pay also dearer for whatever they wanted in return.

Seventhly, They do not entertain the least doubt on what *seems* to be unknown in *Europe*; namely, that the real benefit of a voyage can be found only in the price which the returns will meet

meet with, when arrived in the country where the voyage is to terminate.

Eighthly, In the union, and in the execution of these different points, centers the little mystery, by means of which Nature has hitherto filled up by slow degrees, and by which the *American* proposes, without thinking so to do, to fill up with more dispatch, those little *furrows* of taxes, the very name of which is now a bug-bear, but would cease to be so, if the manner in which they are planned, imposed, and above all, collected, did not prolong and increase the real and momentary evil, which will ever be inseparable from them.

Ninthly, It is singular enough, that the *European* cultivator should be taught by the *American* trader, *the necessity and the justice* of an increase of price in the *productions* of the earth, *proportionable*, says the honest *Philadelphian*, *to that which is to be met with in the price of the productions of industry* :—*It would be unreasonable*, says he, *to expect the goods of Jamaica at the old prices, when those of Philadelphia have advanced so considerably*.—Nay, say the *European* manufacturers, since our goods, by means of the taxes, have increased 10 per cent. it follows necessarily that the  
price

price of wheat, sugar, indigo, &c. should fall in the same proportion, in order *that the trade in competition may be supported abroad*;—*had not Nature, by her underhand work, constantly fought with some advantage against the dreams of speculators, and against the much more dreadful surreptions of cupidity, to what pitch of misery would not agriculture be reduced in all parts of the world!*

The following estimates may be of some service; their utility is independent of the absolute precision of the facts on which they are founded; one may, as occasion requires, extend or contract the compasses.

Previous to the last war the common price of wheat was, upon an average, in *America* about 20s. sterling *per* quarter, (vide Mr. *A. Young's Political Arithmetic*).

If in *England* a population of 9,000,000 of industrious inhabitants, yields a landed revenue of 60,000,000*l.* sterling, the wheat being there at 40s. *per* quarter, a population of 3,000,000 of industrious inhabitants in *America*, where wheat sells at 20s. a quarter, ought to produce *at least* a landed revenue of 10,000,000*l.* sterling; I say *at least*, first, because the land is new, and  
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produces as much, with less culture; and secondly, because that part of the inhabitants employed in agriculture in *England*, constitute only one third of the whole population, and that in all probability, above two thirds of the *Americans* are employed in works of husbandry. It may therefore be presumed, that their landed revenue exceeds 20,000,000, instead of the 10 which I have set down; but this surplus of 10,000,000, only serves to make good both the national and foreign industry, which is to balance it, and pay off the taxes: so that, in whatever light my *thesis* be considered, every error turns to their advantage.

In limiting their landed revenue to 10,000,000, their wheat remaining at 20s. *per* quarter; let every one judge what load of taxes they could bear, before the price of their wheat and other territorial productions, should come up to that of the same commodities of *Europe*, even including the expences for the export of their surplusage.

Let every one judge also of the necessity of their bankruptcy, the idea of which has been so fondly cherished by some low-minded people, and the narrative of which, they feared perhaps

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them-

themselves, would unavoidably stain the first pages of the history of their political existence.

The last war, it is said, has loaded them with an interest of 1,000,000 *per annum*. Would a tax of 10 *per cent.* on every article, or rather on the total of the produce of national, as well as foreign industry, *consumed within the country*, be productive of any other effect, but that of increasing the prices nearly as much? and would the cultivators of wheat and other productions of the earth, have occasion for any other expedient to pay the tax, *without being at any expence, without any one being aggrieved, (provided they should raise in the same proportion the price of labour attending cultivation)* but that of advancing, in the mean time, the price of their wheat, and other productions of the earth, from 10 to 11 or 12, from 20 to 22 or 24?—This is the case in my first *hypothesis*, with this difference, that the 21,000,000 interest, mentioned therein, represented highways, havens, canals, public schools, &c. and that the interest of 1,000,000, in the United States, will represent the establishment of their independence. Such a monument is, in my opinion, too precious to admit a thought of destroying it by a reimbursement,—a reimbursement

*bursement palpably useless so soon as the price of every thing is restored to a level with the interest of any national loan whatever.*

They have committed some errors ; more will follow : they know not what to fix upon ; nor will they know for some time, perhaps for a long time.—Is there a State in *Europe* that can reproach them with any false step, of which that very same State did not set the precedent at some period of its history ?——But with their principle concerning exportation, a principle founded on justice and evidence, they have already perceived that the necessitated price of 22 or 24, instead of 20, must be felt in their country alone ; and if their commodities exported for the purpose of procuring such articles for their home consumption, as they stand in need of, continue still to yield them the same quantity of those articles of consumption, as were obtained before the war, will they not perceive that the home prices, which the re-action of the taxes shall have set upon the whole of their productions, establish in the country an exact balance of those new prices at which the taxes will oblige them to sell the articles to be imported ?

Compelled by necessity to have recourse to paper-money, will it be long before they are

made sensible, that nothing more than internal credit is wanted to make this paper equal to coin, and answer all its purposes for ever, if they should be thus wisely inclined,—if this measure should be found the only means of curbing effectually the cupidity of those with whom they shall have occasion to trade?

Will it be long before they perceive, that this credit will follow close upon the solidity of public engagements,—a solidity demonstrated by the evidence of the inutility of a base and infamous robbery?

Will it be long before they feel that all the actual wealth of a State, its real wealth, is nothing more or less than the mass of its present industry; that all its *possible* wealth can arise only from the sum of all its *possible* labour; that the greatest riches are only the greatest sum of labour? that if this labour is a bitter pill, the gold and silver in which it is wrapped up, are only (like honours, titles, dignities, fame, esteem, &c.) different kinds of powders, which sweeten the taste of it to those who are ignorant of its value, to those who know not how necessary labour is to support every day, without being weary, and sometimes without regret, the wretched burthen  
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of our lives; and in fine, that paper, *once got into credit*, can, in this respect, be an ample substitute for gold and silver . . . but how many circumstances, where gold and silver cannot supply the want of credit?

Will it be long before they become sensible, that they are clogged in no part of their legislation, by those preposterous maxims which can be justified only by the circumstances that gave them birth, by those tyrannical regulations which owed their success wholly to the ignorance of their contemporaries, by that chaos of contradictory regulations, all of which became perhaps necessary by degrees, after the first was extorted by cupidity?\*

*Under*

\* One of the most respectable *English* writers has been charged with having entirely given up the *American* cause, which he had hitherto so strenuously supported; in my opinion it is a mistake. It was not to the *Americans* that the Doctor was attached, it was to certain maxims, plain but fertile, by which they seemed to have been directed, and which the said author, establishes and recommends as the only guides for all Princes and Nations, to lead them to that point of prosperity the limits of which can be prescribed by Nature alone; the *Americans* most probably will return to those maxims, and I presume to think, that they will instantly be restored to the favour of that worthy Divine; my opinions so nearly approach to those of that

*Under what Point of View Premiums and other Encouragements of Exportation may be considered.*

THE principles of the *Americans* concerning exportation, lead us to the examination of the doctrine of premiums.

If

honest man on every point that truly concerns society, that I wish either to convert him, or to be perverted by him, with regard to the reimbursement. I must confess, that if the ideas which are the ground-work of my principles, be false, the error is mine alone; if I am right, the mistake of the Doctor, (like the imperfections in *Shakespeare*), is the fault of his age, not of himself. I shall further add, that the reimbursement, according to the principles I have laid down, is not a measure by any means marial to the State; it is only a trifling injustice done to very little purpose, and not even suspected by those who sustain it, a *je ne sais quoi* giving to one a little credit and a little uneasiness to others, keeping *the bulls and bears* in spirits and the writers of paragraphs in full employ, but luckily productive of a light and transitory sensation only, and even that in a small part of the machine: so little is reimbursed at a time! so soon is one tired of reimbursing! Presently, the only essential object, the price of every thing shapes itself so well by the circumstances attending the reimbursement, that I should not hesitate to ascribe the ordinary, the infallible reparation of all evil, to the credit of one sole principle of all good, were it not my invariable maxim

If the want of objects, capable of exercising advantageously the industry of a numerous and active people, should compel government, *on account of some difficulties unconquerable by art and nature*, to apply that industry to some other object, on which it would be impossible to support abroad the competition of another nation, that is, to offer equally with the

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latter

maxim (as it is the Doctor's and his friend *M. Turgot's*) not to scandalise even those who do not believe in God.

There is a prejudice much more unaccountable in England, in the proud England, than the whim of a national reimbursement ; it is that prejudice which all the hired writers, *pro* and *con*, endeavour to propagate from age to age in all countries, a prejudice, on the destroying of which every unhired writer can never be too intent, that prejudice flating, that *the prosperity of a State depends on one single individual*. Where is that *Phoenix* to be found ? There are always two pretenders at least, who cry at once, I AM THE MAN, and a thousand voices exclaiming together, HE IS THE MAN. *The prosperity of a State, be its extent what it may, solely depends on its agriculture, its industry, its knowledge, and on that degree of liberty with which those three objects can exert themselves in every way.* This is the grand truth which ought to be impressed on every mind.—Let one great man die in a country where great men are appreciated—stamp on the ground, and ten such men will start up : many more will start up when every body, without respect either to face or mask, is at liberty to stand as a candidate.

latter an even quantity of labour of one sort, for an even quantity of labour of a different one, there is no doubt but, in such a case, a certain premium, to maintain the competition with the country most partially favoured by art and nature, would prove, of all institutions, the most judicious and the most humane; it would be a kind of indirect tax in favour of laborious indigence; a tax, much more eligible than many others, which, though destined to the relief of wretchedness, often increase it, by checking the efforts of industry, by even providing a resource for idleness, and sometimes an alluring, a comfortable prospect for debauchery.

It was represented to a Prince truly worthy of the throne he fills, that a manufactory, in which 8 or 900 persons were constantly employed, stood him in 4 or 5,000 crowns more than it produced. *How!* (replied the Sovereign) *does it cost me no more than 4 or 5,000 crowns to feed a thousand beggars, and keep them constantly at work? It is a cheap bargain indeed!* The most subtle of all ministers of state could make no other reply to such an answer, than to propose some means, equally effectual, and calculated to attain, at a cheaper rate, the two most important ends that a prince can have in view,  
*destroy-*

*destroying beggary, and, in a manner, creating labour.*

There are, no doubt, some other circumstances, which may also justify premiums on exportation; for instance, the wheat intended for exportation, is an indispensable article amongst the necessaries of life: it constitutes one third, sometimes the half of a nation's riches; it is *essential* that it be not in such quantity as to fall in price, because the disparagement of its value would discourage the cultivator; yet it is advantageous that there should be, upon a medium, a little more than is wanted, in order to keep it at the medium price it ought to fetch, that *one may have it in his power to purchase that which another wants to sell.* The first thing therefore to be examined is, whether the medium price, at which it must be kept, in order to equipoise the quantity of national industry which it must represent, be not so considerable,

First, By reason of some prohibitory act, forbidding the exportation of other productions of the earth, which, by this means, become cheaper than they were before this act took place, oblige the cultivator to advance his price in the others, that the whole may be raised to the level of industry:

Secondly,

Secondly, By reason of some other premiums on exportation, granted to various branches of the national industry, which, on that very account, are grown not only much dearer within the nation, but have also enhanced the price of all other corresponding commodities, by withdrawing from them, hands which would have increased their quantity :

Thirdly, In consequence of some prohibitions or restrictions equivalent thereto, which afford to the national manufacturer the means of selling his goods 10 *per cent.* dearer than he could do, if such reasonable duties were laid upon foreign industry, as would leave national industry in possession of the advantages, which she has a right to, and deprive her only of the iniquitous privilege of ransoming those by whom she is fostered :

Fourthly, By the effect of those bodies corporate, (*corporations*) which, if justly appreciated, are but so many private conspiracies against the public, whom they strip of the benefit of *national* competition, after having wrested from them the advantages of *foreign* competition, which would soon have been followed by the former, *infinitely more important than the other.*

If

If the result of the proposed enquiry should show, that one of these four causes, or rather all of them together, have entirely perverted the natural price of every article in the nation, it seems to me that it would be worth the attention of the legislature to examine also, whether the repeal of all premiums, prohibitions, restrictions, and other devices of the various passions of the human heart, either to clash against each other, or to balance their respective injustice, would not prove adequate to the only aim which we may reasonably wish to attain, I mean that of *keeping, at the least expence, a just equilibrium between national agriculture and industry, by securing to both, at the least expence, all the advantages which they have a right to expect from the agriculture and industry of other nations.*

But if indeed we were fettered by the errors of past centuries, it would then be necessary to grant, *in the fullest extent*, the wished-for premium on the most important article; do nothing more for the present, but refuse new ones to all the rest; watch attentively the favourable minute for the restoration of natural order, and forward it, perhaps, by convincing every one, that the most necessary of all premiums would have proved useless, had it not been

been preceded by prohibitions, restrictions, corporations, &c. *the end of which is as manifestly unjust, as their effects are injurious to all but those who sue for them*; and that, in fine, a premium granted under a circumstance the most likely to justify such a measure, is not, as several people have hitherto imagined, a necessary means of maintaining elsewhere a foreign competition, but a very inadequate compensation for that foreign competition of which we are deprived in so many respects.

*On the Influence of the various Kinds of Taxation upon National Prices.*

IF I mistake not, I have proved that it is indifferent to agriculture and industry, whether the prices rise or fall, provided it be always in a due and reciprocal proportion. Nor is it less indifferent, whether the increase proceeds from taxes, from monopoly, or from accession of wealth, and whether the decrease be brought about by the extirpation of monopoly, or by the triumph of smuggling; so long as the prices balance each other, no one can be injured however loud people may be in their clamours; it is impossible to shut one's eyes against the evidence of such a point. Why then should we deny

deny the consequence which naturally follows, of the harmlessness of taxes in themselves, the impossibility of their producing in any one's situation, any thing beyond a momentary sensation, *when they are laid with discernment*; and the futility of either fears or hopes entertained of their ending at last in a national bankruptcy?

Yet, "to enjoy, is to obey," says Pope:—To make the best use we can of the creation, is the thanksgiving the most worthy of the Creator.—There is not a man therefore who ought not to repine at seeing the general rate of prices increase in vain, since this very rise compels us to lavish, in coin, a considerable quantity of those two precious metals, gold and silver, which would prove more agreeable, if turned into plate, or even into small pocket-statues, designed for the private worship of those who would blush only in public, for this kind of idolatry. I should like therefore to examine, in regard to prices, what is *natural*, what *necessary*, and what *forced*; in order to find out what might be saved, if people would attend only to the necessary average.

In the first period of Societies, when they knew of no other want in the State but personal service,

vice when it was necessary and possible, the common price of the articles then in circulation, was determined by the quantity of coin *then* existing in the nation: this is what may be justly termed the *natural price*. At this present time, when money is substituted to personal service, and supplies so advantageously its place; when each representation of an extra service leaves on every article, the stamp of a seal, which, without adding to the real or relative value of *any thing*, increases nevertheless the nominal value of *every thing*;—at this present time, when every nation has all the industry necessary to procure the coin wanted for this over-charge, *it is the price, which this very over-charge sets upon the different objects, that regulates and attracts the quantity of silver to correspond therewith*; and this price, which may be called *necessary*, is often evidently *forced*: I say, *evidently*, because, in the state of general correspondence, or, if you will, of that happy dependence wherein all the States of *Europe* stand reciprocally towards each other at this hour, when we see in one country the same objects, of the same quality, wrought with equal skill, 15 *per cent.* dearer than any where else, who can doubt but a part of that difference, of that extraordinary price, proceeds from taxes, and the other from monopoly?

But

But what part belongs to this, what part to the other? This is not so easily found out; 1st, because the part which is the work of monopoly, solely depends on the moderation of the monopolist, who never fails pleading the taxes for excuse; and, 2dly, because that part, which proceeds from the taxes, depends not only on the tax itself, but also on the manner of laying it, and on the effect which it is likely to produce in the minds of the people who are to support it. Such a tax as will make a slow, and only a trifling sensation in the prices of the *French* markets, will occasion all at once a considerable one in those of *England*: I shall hereafter state my reasons for this conjecture.

I am as little qualified to investigate all these different questions, as those which I have ventured hitherto to touch upon; I shall persevere, nevertheless, with that freedom which I derive from the purity of my intentions, and with that diffidence which must follow the consciousness of a capacity so unequal to the task.—I shall first of all adapt to *England*, and then to *France*, the reflexions suggested to me by some hundreds of suppositions, which had engrossed my time before I had perused *Young's Political Arithmetic*, and the work of Mr. *Necker*, which has but lately fallen into my hands.

I shall

I shall begin with a general observation on taxes.

*On the Object of all Ministers of Finance in laying Taxes.*

IN this indulgent age, wherein nothing more is required on any one subject, than a little decency, it would be a ridiculous and fruitless hypocrisy to propose a tax, as the means of encouraging virtue, or of discountenancing vice; it is not, at least in a country where a man convicted of smuggling wool, is by law sentenced to have his hand cut off, nor in another where a smuggler of salt is condemned for years to serve on board the galleys, that one should preach up the heart-felt concern he must experience at framing a law which would make it felony to drink spirituous liquors if he had really a mind to prevent intoxication; it is hoped on the contrary, nay, firmly believed, that the sweetness of the poison will make palatable the very bitterness of the tax, and its absurd disproportion to the real value of the taxed article: besides, it is too evident, that it is not the difference of a few pence *more* that will prevent a man from drinking to excess when he is so inclined, nor a few pence *less* that will occasion another to inebriate himself,

himself, when his only motive for drinking is a moderate pleasure, or the necessity of allaying his thirst. The object of every Minister, in laying a tax, is always to procure the sum at which he has rated its produce; if the tax should answer any other purpose, this additional one is considered merely with regard to the prospect it affords of making good another tax less productive than was at first expected. In fact, a minister of finance is not a *præfectus morum*—a moral censor: the State is in want of a certain sum; *that's enough, it must be found.*—Let us then examine, what kind of taxation will be the least burdensome in its operation, give its first shock with the least violence, and be attended with inconveniences of the shortest duration.

*Effects of a general Poll-Tax.*

*Eleventh Hypothesis.*

IN the year 1779, the taxes in *England* amounted, I shall say, to 10 millions; I shall suppose too, that this was the tenth part of the general produce of the land and industry: therefore the 10th part of the nominal value of that *general produce* belonged to the tax, or was *necessitated by the tax*; the 40 shillings, which, to facilitate my operations, I shall also suppose to be the average  

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price

price of the quarter of wheat, must then have been considered as the *necessary* price, or the price *necessitated* by the tax; and 36*s.* as the *natural* price, or the price *acquired* by the sole, *natural* increase of the national wealth. But in order that those 36*s.* might be called the *natural* price, the taxes should have been divided in such a manner as to load each particular article with a 9th part of its value; that is to say, that each individual, possessed of a property denominated 9, should see it charged only with one ninth more, in consequence of a general poll-tax, which we shall suppose to have been assessed *with the utmost impartiality*. In effect, it appears, that in this case the proprietor of a quarter of wheat, who, in consequence of the tax, would have raised the wheat from 36 to 40*s.* could not be said to have injured the hatter, who would sell him for 40 guineas the 40 hats which, previously to the poll-tax, he used to let him have for 36 guineas. It also appears, that the hatter could not be injured by giving 10 to the workman, instead of the 9 which he had hitherto paid; and that, in fine, *if 20 millions had proved sufficient for circulation formerly, three millions more, once found, were fully adequate to the annual and perpetual payment of those 10 millions of taxes, without any one being a sufferer, but at the instant of the first payment.*

This

This system is deficient, only in point of practicability; it is not established in *England*: 36 shillings therefore are not the *natural* price of wheat; the wheat certainly owes above 4 shillings to the taxes, if its current price amounts to 40s.

Let it be observed, nevertheless, that if the system of a poll-tax could be reduced to practice, if it were not of all systems the most absurd, though the easiest for government, if it were not of all systems that in which it is most evidently impossible to avoid thousands of injuries to the subject, one might establish now in *England* a new tax of 10 millions annually, and pay it for ever, without altering in the least the condition of anybody, *provided one could find previously, and once for all, 2,600,000 l. and that wheat should advance in price from 40s. to 43s. 4d. AND EVERY THING ELSE IN PROPORTION.* This appears to me so glaringly evident, that it extorts from me the affirmative tone. Now as soon as this should be effected, THE BURDEN OF THE TAX WOULD CLEARLY BE NULL.

But, it will be objected, the price of wheat is not thus arbitrarily advanced:—certainly not; for were this to be the case, it might also be

lowered at pleasure, and would *every other day*, alternately rise from 1 to 80s. and fall from 80 to 1, since for this operation (become indispensable) it would suffice that there should be in all the provinces of *England* as many bodies-corporate (*corporations*) in *agriculture*, as there are in *industry*. I am even inclined to think, that it would then be minutely examined, *Whether it be in fact advantageous to agriculture, that the merchants export more goods than they import?* (a due attention being paid to the five articles so often mentioned, which render necessary the importation of bullion); a question of the utmost importance, to which I do not see that any body has hitherto attended, and which might be so easily determined, if my principles are just.

*Effects of a Land-Tax.*

*ALL taxes, it is said, fall on the land at last. Land is the true, the only spring of wealth; wealth should be taxed at its very source.*

It is certain, that merely by knowing how the matter stands, we know how to proceed accordingly; and that, in the long-run, every thing arranges itself in the least exceptionable manner that the system of taxation will permit. The following is probably the course which things would take, in the system of a land-tax, if it were

were necessary now to lay on the land a new tax of 10 millions annually, supposing always the landed revenue at 60 millions, and the quarter of wheat at 40 shillings.

*Twelfth Hypothesis.*

*(I must premise, that in all I have now to say, not only on the present hypothesis, but on all those that follow, I build on this principle; that, from the moment every individual pays the tax, nobody pays it; that nevertheless its produce reverts to the creditors of the State, and that therefore every body is interested in carrying matters to that issue as soon as possible.—If there never existed in the average of prices any revolution so sudden, so great, and constant in its effect, as the one which I am about to suppose; it is because it never was necessary to lay all at once 10 millions of taxes. The effect produced by one million on a revenue like that which England enjoys, is so trifling, so gradual, that it never can be felt.—But to my hypothesis).*

The march of industry is always firm; she can never be bewildered by her guide. A tax of 2 shillings upon a hat will soon occasion either an alteration in the quality, or a proportionate increase

in its price\*. *Nothing more just.* But agriculture has only one resource; she cannot alter the quality of her productions, and she is always timid when she wants to increase their prices. Let it be granted, however, that the first attempt of the cultivator will be to enhance boldly the price of his goods, in a proportion which may return him the amount of the tax supposed to be of 10 millions: his wheat, of course, will rise from 40 to 46s. and so with regard to other productions; then his revenue, instead of 60, will be 70 millions; but, being obliged to lay down 10 for the tax, he will have only 60 millions left.

Let us now observe, that when the operations of agriculture are talked of in consequence of taxes, the land proprietor is alluded to; and from him they suppose that the ten millions are taken, just as the fleece is shorn from the sheep; but, on the other hand, that proprietor, though not very clear in his idea of what is best for him to do, feels mechanically that he has a right to defend his fleece, that is, to increase the price of the productions of his land, because without them, neither the manufacturer nor the Minister

\* Let the question on this very point be asked of any one, who can remember, and compare. I except no article whatsoever of industry, which is brought to perfection.

Minister of Finance can subsist, and to raise that price to such a level as will subject him to pay only just as much as the minister and the manufacturer: and *this again appears to me extremely just.*

Now this very proprietor receives of his 60 millions revenue, or rather of the revenue of his land, no more than about 20 millions; (this is nearly the result of Mr. *Young's* statement: it will be seen, in the sequel, that more or less would only alter the proportion of the shares, without having the least influence either on the application of the principle, or on its consequences): the 40 millions overplus is swallowed up, *viz.* for the daily pay of the labourer, 20 millions, and 20 millions for the other charges with which the estates are encumbered, tythes, profits of farmers, &c. &c. It follows, of course,

*Either*

That the proprietor's share must be advanced to 30 millions, if he alone be taxed; and this will leave each of the other parts interested in the landed revenue, in possession of its 20 millions, as well after as before the tax;

*Or,*

That each of the three parts taxed singly, at 3,333,333*l.* 6*s.* 8*d.* and enabled to pay the impost by an advance of price, both in the productions

and in the wages of labour, be reduced to its primitive 20 millions, after the payment of the tax.

One is evidently equal to the other ; but what is not so, is, that *industry*, who paid her workmen with 20 millions when the quarter of wheat was at 40s. cannot pay them since the wheat is increased to 46s. 8d. but by adding to the former wages, 3,333,333*l.* 6s. 8d. an advance which, when divided on the total of her products, heretofore rated at 60 millions, raises each third part of 20 to 21,111,111, and some trifling fractions. — Now, there remains in the hands of each of the parties concerned in agriculture, only 20 millions over and above the payment of the tax. — Those who are in the persuasion that the discharge of the impost must lessen, by its whole amount at least, the revenue, of those who pay it, think, no doubt, that agriculture is very well off, to have, by raising the price of its commodities two thirds, lightened the weight of so terrible a burden ; yet if it were possible by a vigorous exertion, by an additional increase in the price of provisions, to make it null to every body, I do not see that it would be reasonable to oppose such exertion ; for, after all,

*Either*

*Either*

The first increase, brought on by *agriculture*, was unjust; the proprietor was doomed to sustain alone the whole weight of the tax, if we allow *the taxator*, the man who laid the tax, to have had a single thought on the subject:

*Or,*

The further advance in the prices of agriculture is of the most indispensable necessity, if the *taxator* has only thought of getting the amount of the tax with the least trouble to himself, leaving to Nature the care of distributing *to every one* complete justice,—to Nature, who never fails to do it, and who, in so complicated an operation, employs only the simple spring of that private cupidity, with which she has armed and shielded every individual; just as, in order to settle the most exact symmetry in that admirable edifice commonly called a hive, she employs no other agent than the reciprocal *pressure* of that multitude of architects who work at it, each of whom thinks of nothing but to secure a little cell for himself.

*Thirteenth Hypothesis.*

Let us then suppose that agriculture, judiciously determined by wisdom not to suffer the least

least encroachments on any part of her *cell*, or mechanically led by cupidity to justice, boldly raises the price of her wheat from 40 to 50s. and the rest of her products in a due proportion; her general revenues will then be increased from 60 to 75 millions; each of the three parts interested therein will therefore stand at 25 millions, but will be reduced to 21,666,666*l.* 13*s.* 4*d.* when the tax is paid off;—

Industry, compelled also by the advanced prices of the productions of the earth, to pay her workmen 25 instead of the 20 millions which they required in the first instance, will divide the additional 5 millions amongst the 60 millions of her former returns; each third share therefore, rated hitherto at 20 millions, will, by means of the addition, rise to 21,666,666*l.* 13*s.* 4*d.*—*which is the exact balance of the like sum left in the hands of each of the three branches of agriculture, after having discharged the tax.*

In a system of taxation which should be imposed only on the land, an impost of 10 millions annually, on a revenue of 60 millions, whether it fall on the proprietor, or be divided between him, the farmer, the cultivator, and other parties concerned, requires of course an addition of 25 *per cent.* to  
the

the price of the productions of the earth, that agriculture may not be sacrificed to industry ; but it must be observed, that immediately after the reaction of the one upon the other shall be completed, the burden of the tax will evidently be null, since *the price of labour will have increased equally in both, in proportion to that of their respective products.*

*Reflexions on the foregoing System.*

THIS system was devised to countenance and encourage agriculture ; it is in her hands, they say, it is at that fountain-head of riches, that riches must be sought for ; it is the land that finally pays for all ; the impost then must be laid on the net produce of the land.—I shall venture some reflexions on a subject which appears to me the more important, as one of the wisest, and the most profound speeches ever delivered in the House of Lords, seems to hint at the expediency of an aggravation of the burden already laid on agriculture.

Agriculture is the spring of life ; it is not the spring of those riches which we call money : money must be had for taxes ; money flows  
from

from the hands of industry alone : it is then from this spring that money must be drawn.

Besides, how is it known that the money, wrested from agriculture, is not necessary to her support ? Or how does it escape observation, that all the money which is not laid out by the cultivator upon agriculture, will necessarily revert to industry, either by the immediate consumption of the cultivator, or by that which he shall have occasioned on the part of the person to whom he shall have lent the value of what he has not consumed himself ?

How comes it to be known, that the proprietor of a landed estate that yields him, we shall suppose, 800*l. per annum*, and who is charged 200*l.* for taxes, is not indebted in 300*l.* out of the remaining 600*l.* ? Now, it is true that 300*l.* are sufficient for his support; but were those 200*l.* which are forced from him, laid out annually on his land, they would certainly in very few years raise its produce from 800 to 1000*l.*—What is that but to assess unjustly a man who enjoys only 500*l.* as high as another whose income amounts to 800*l.*—to tie down agriculture to 800 when it might rise to 1000 ; to deprive industry of the re-action produced by that benefit ; to crush population

pulation in the very bud, and consequently to prevent a more considerable consumption; in fine, to deprive government beforehand of the amount of those taxes which that increase of population and consumption would have secured to the State?

It may be said in *France*, it is true, that by a tax laid on private loan-covenants, those inconveniences are partly removed; but this very removal is only an additional obstacle, thrown in the way of agriculture, to impede its progress;—the man who could lend to the cultivator, besides the fear of not receiving back his money when wanted, has before his eyes the certainty of being charged with the twentieth penny laid on the interest of the money thus advanced, and consequently, as often as he conveniently can, lends that money to a merchant, who besides his punctuality in paying at the fixed time, never hesitates to allow the usual interest without any deduction whatever.

It may be said also in *England*, that all over *Great Britain*, the land-tax, (which, like some others, is perhaps no more than a real poll-tax under a name less grating to a *British* ear) does not exceed the sum of about 2 millions,

lions out of 14 or 15, the whole amount of her taxes; but nothing can be deduced therefrom, but that it is subject only to a proportionable share of the inconveniences above stated; inconveniences which are inseparable from it: we may add, that it is indeed free from some further grievances which fall heavy on the *French* cultivator:—but can the *English* boast of their tax being founded on an invariable principle, when this very principle is unjust in its consequences, and, as often as necessity requires the tax to be advanced, multiplies the injustice which follows it?—Yet they hint at the expediency of increasing that very tax, in order to alleviate the imaginary burden that weighs down industry!—Some pretend that the land-tax is become a *public property*; they suppose that all such sales and purchases of land as have taken place since the year 1740, have been effected on that principle of renunciation of the capital, the interest of which is paid by that land-tax:—they infer, no doubt, that the intention of those who did not sell, was implicitly included in that of those who have actually sold; for they propose that all the present proprietors shall redeem the tax, in order to refund part of the national debt; as if, on the very next day after the redemption, Government had not a right to renew it, if some fresh exigency should

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should start, which could not be answered by any other means.

In the critical moment of a discredit, which will always be imputable to the Minister, when the King and the People are fully acquainted with their real interest, if administration, not knowing what to do, does not hesitate to apply to the land proprietor, whose ways and means are always visible, and whose purse lies, as it were, ever open against his own inclination, the Minister, no doubt, finds his excuse in the necessity; but after the crisis is over, why should the proprietor be further aggrieved?

But, say they, the amount of the tax cannot be dispensed with;—no objection can be urged against necessity; *all that is wanted, is the least that can possibly be given; just as all that is wanted, is the most that it can be advantageous to take:* but the whole should be paid by each individual, only in proportion to his faculties:—Now the fact is, that the faculties of the land proprietors are not better known than those of the merchants;—*the latter have found means to prove, to persuade, that they ought not to be taxed, but in proportion to their consumption, the only criterion of their riches, or at least that part of their riches*  
which

which they do not lay out in increasing commercial wealth.—IS THE IMPROVEMENT OF THE TERRITORIAL WEALTH LESS ESSENTIAL, OR LESS VALUABLE TO THE STATE ?

Let us examine, however, in what degree the taxes laid on the different articles of consumption, must enhance the price of goods, in order that agriculture may not suffer more than industry. If it should result from this research, that many previous false steps have raised the greatest obstacles against the execution of those measures which would prove the most equitable, without being more disadvantageous in any point of view; the inconvenience of such obstacles might be deemed trifling, when *compared with the burden supposed to be transmitted to posterity*. And it is not in *England* that an important truth, generally acknowledged, will long remain without effect; it is not in *England* that an important truth will long remain without being generally acknowledged.

*Effects of an Impost exclusively laid on the Articles of Consumption peculiar to the rich, or in other words, on Luxury.*

THE immediate effect of a tax, is to raise the price of the object on which it is laid, by at least the

the whole amount of the tax: *nothing can be more just*; but it is at the same time a consideration which ought to keep pace with the one I have already offered, on the very positive *object* of all kinds of taxation, namely, *to secure the sum at which the product of the impost is valued, whatever that sum may be.*

Now, in order to estimate justly the system of taxation we are considering, it must be presented in all its glory, that is, such as all Ministers of finance in *Europe* seem to wish it; such as all the *English* news-papers recommend it, rather roughly, each of them at least once a week; such as all Oppositions, past, present, and future, have pretended, do pretend, and ever will pretend it to be, so easy and so equitable; such as all preachers of the *Roman, English, Jansenist* and *Presbyterian* persuasion, are wont to deliver it every day among the private societies whom they are pleased to honour with their partly christian, partly political reflexions, and would speak it out from the pulpit, if Ministers of finance had any leisure to hear their sermons, &c. I shall therefore suppose that the tax of 10 millions, mentioned in the three foregoing articles, should be assessed in so able, so *charitable* a manner, that 5 millions should fall on the

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landlord,

landlord, and the other 5 on the richest proprietor of money. I shall begin with the most essential, for the State is certainly founded on the landed property.

What is the revenue of the land-proprietor? —Nothing more, all expences defrayed, than the third part of the real produce of his lands; and this third is, in the *hypothesis*, estimated at 20 millions only.—These 20 millions finding in the hands of industry, that portion which usually gave the balance of those 20 millions, raised to 25 millions by means of the tax, it clearly appears that the proprietor alluded to is short by 25 *per cent.* of the sum required to pay that portion.—In this case what is he to do?

Shall he leave industry in possession of one fifth of his former comforts?—Then industry would be debarred from the sale of that fifth part; one fifth of its artificers would be left without any other resource than that which the highway might afford, *and the main object of the taxation would be defeated in the following year*, unless exportation should make up to industry for the want of home-consumption, (*the only one by which a State can prosper,*) and the deficit of the tax laid on the home-consumption, should be

be compensated by another tax on foreign consumption, that is *on the exports*.

We shall suppose this to be the case, and that industry actually exports that fifth part of the national commodities which the land proprietor is not able any longer to consume, and which, nevertheless, industry is compelled to sell, in order to be reimbursed the tax she has advanced, and be prepared to answer the fresh demand which next year government will have occasion to make.—But if it were to such means that *England* should stand indebted for part of the increase in her exports, her industry, methinks, would have derived less advantage therefrom, than a home-sale might have procured, even supposing the inconvenience of which I shall speak presently: it appears to me also, that the land proprietors would, in that case, have some reason to complain, and that the rest of the nation would have no cause to boast of the immensity of her exportation.—The draw-backs granted on the very exportation of the taxed commodities, prove that such an expedient never was adopted in *England*.

Will the land proprietor come to a resolution to fly from his native country, in search of another

ther, where good men content themselves with declaiming against luxury, without making any attempt to destroy it? No, he never did, nor ever will take that resolution; he is fast bound to his land by the roots of every plant he has laid on it.—What then is he to do? It behoves the Minister of finance to give him some wholesome advice.

If the Minister be silent, or if he shuffle, because he is closely watched by Opposition, he must equally lose his popularity; for the land proprietor, left to shift for himself, will raise the price of the productions of his land, in proportion as the tax has increased that part of the products of industry that concerns him.—

But his 20 millions revenue, have, as I have said, the same component parts as the 40 millions which he is obliged to give up for the expences of cultivation, and other incumbrances attending property:—he cannot therefore increase them to 25 millions, without raising by one twelfth the total amount of the 60 millions of landed revenue; this will at once carry up the quarter of wheat from 40s. to 43s. 4d.: this is therefore an advance of  $8\frac{1}{3}$  per cent. on his commodities:—upon which we must observe, that no increase will take place  
in

in the wages of the mechanic, or of the husbandman; for the objects of luxury are the only ones which we suppose to have been taxed: such is the *infernal* side of this *heavenly* system.—Yet this is not all.

What is the money-proprietor to do, not having it in his power to raise the price of his money as the landed proprietor can do that of his wheat, but who, on the contrary, is invariably limited to the same nominal revenue, whilst the tax of the other 5 millions, which the *humanity* of the *taxator* had levelled at him, has occasioned a rise of 25 *per cent.* in the nominal value of those articles of luxury in which he indulged himself?—He will, he must leave them in the hands of industry, and confine himself to such objects as are not taxed; it is a resource, as it is at the same time a compulsive measure.—*The produce of the tax will then be inadequate to the want: a second impost must then be thought on, to supply the deficit of the first.—Fall again upon luxury, cry the enthusiasts; this is more necessary than ever, for bread is already  $8\frac{1}{3}$  per cent. dearer than it was, and the land proprietors have abated nothing of their luxury; they ride still in their chariots, whilst the poor loaded porter constantly trudges on foot.* Enthusiasts will never see further, and

those who are not enthusiasts do not yet see far enough; for they only say *that it is expedient for government, that the prices of commodities be kept up, in order to facilitate the payment of the impost.*—Yet, *if it is expedient for government, that the prices be kept up to facilitate the payment of the impost,* I conclude that it is an *absolute necessity* for government, that the prices do increase, when there is no other visible means to establish *the possibility* of paying taxes. I therefore have to answer only to the enthusiasts, and let it be as the enthusiasts will have it:—

But the first 5 millions of the *charitable* tax could not be paid, without an advanced price of  $8\frac{1}{3}$  *per cent.* on all the productions of the earth, without raising the wheat from 40*s.* to 43*s.* 4*d.*—it will then be necessary to increase its price by as much again; it must advance from 43*s.* 4*d.* to 46*s.* 8*d.* in order that the tax be paid *without foreign assistance.* Then all will be settled, regulated, balanced, and paid between the *capitalists* of land and those of industry; *but as no objects will have been taxed but those of luxury,* how long will it be before the people, the labouring man can see justice done to him?—Ten popular insurrections perhaps will be required to extort it. Yet let us suppose that the very first proves sufficient

sufficient to procure it complete, that is, that their wages be raised  $16\frac{2}{3}$  per cent. as the tax after all the necessary re-actions has increased the price of the produce of their labour:—in this case, instead of the 20 millions allowed before to each of the two classes of working men, cultivators and mechanics, they will then receive 23,333,333*l.* 13*s.* 4*d.*—But how will you wrest from the hands of the land proprietor 3,333,333*l.* 13*s.* 4*d.* out of the portion which he was obliged to lay by, *that the tax might be paid by his consumption*, without his advancing again the price of his commodities in such a proportion as will return him the new sum which he is forced to pay?—And were he not to augment again the price of his commodities, would not then a new tax become necessary to supply the *deficit* which the rise of wages of the labouring men must occasion in the consumption of their employers?—The land proprietor will then add still to the price of his goods;—but will not this addition, *equally necessary as the two first*, be productive of a further necessity of raising in proportion the price of labour, the wages of the labouring man?—No doubt; and another insurrection would procure justice, if the thought did not occur at last of observing, that *the class of labouring men being, before the tax, in possession*

*of one third of the general revenue, forms, in this respect, a third interest equal to one half of the two other.* Now, the tax having enforced an advance in prices of  $16\frac{2}{3}$ , to shelter the two former from its effect, there must also be, in favour of the third interest, a third increase of  $8\frac{1}{3}$ , which rising at last to 25 *per cent.* more, the price of labour, as that of its produce, both in regard to land and industry, will exactly leave to each of the three interests, under the denomination of *twenty-five*, the same comforts as each of them enjoyed under that of *twenty* before the tax was laid.

In regard therefore to the effects of the tax on the prices of provisions, there is not the least difference between the system of taxing luxury, and that of a land-tax; 50s. in the supposition of an impost of ten millions, would prove in either system the *necessary* price of wheat; for if ever a price can be termed *necessary*, it is when it cannot be lower without effecting the ruin of the land proprietor, and even *without missing the sole and indispensable end of taxation*, unless recourse be had to one of the following resources:

*Either*

*Either*

To export such commodities, which, as it might be absurdly supposed, the nation is no longer able to consume,

*Or,*

To steal from the people the proportionable increase *due to them* in the price of their labour, if they should prove so complaisant as tamely to submit, out of gratitude, for *the tax being laid only upon luxury.*

I shall conclude this article with a reflexion which may give birth to many others.

The impost on *luxury*, which, after a very little time, as we have seen, proves no ways injurious to those who were able to pay for the objects upon which the tax was laid, is besides, under another point of view, really advantageous to those very men who seem the only contributors to it; *because* it sets entirely above the reach of the people, a number of articles in which they would indulge themselves, *to the great benefit of the tax*, and which, though perhaps intended *by the general provider*, as well for the poor as for the rich, are nevertheless, by the *merciful* system of taxation, exclusively reserved to the rich.—  
Is this the intention of the *merciful taxator*?—in  
my

my opinion it ought not to be that of an *intelligent one*.

*Effects of a merciless Tax upon all the Articles of the most general Consumption.*

INSTEAD of laying a tax *on men*, from whom, without rushing with open eyes into the perpetration of a thousand injuries, it is impossible to require any thing more than a *personal service*, when it is necessary and *possible* withal; instead of taxing *the land*, from which nothing can be expected but food, and the rough materials to which industry can give from one to many hundred degrees of value; instead of taxing that imaginary monster called *luxury*, which procures so substantial a support to some, and such pleasing comforts to others, lay your tax solely, and without predilection, on *all those products of national and foreign industry which are more generally consumed*; then, in my opinion, you will have reason to flatter yourself that riches are taxed to their very source, and without inconvenience to any one, since you tax it in the hands of those who are, *by the strictest justice*, authorised to a benefit for all the advances made by them to the consumer.

So

So then, though the tax of 10 millions be fixed on certain parts of industry, nothing will prevent the whole from rising proportionably; and for this, *God alone be thanked*. The whole will be then 70 millions instead of 60;—upon which the least reflexion is sufficient to make us feel the necessity of the re-actions mentioned in the foregoing system, *but with this difference*, that the general consumption having been taxed, the two *capitalists* cannot, even on the very day when the impost takes place, shut their eyes against the justice of increasing the salary of the labouring man in a due proportion. — Now, *the interest* of the two capitalists could not, as in the preceding system, be preserved undiminished, but by an increase from 60 to 70 millions, that is to say,  $16\frac{2}{3}$  per cent.—Now, *the interest* of the labouring man is, as has been observed before, equal to one half of the other two classes in the general revenue, or, in other words, equal to either; — it will therefore become necessary, in order to restore the former equilibrium, to introduce a fresh increase of  $8\frac{1}{3}$  per cent. upon every thing;—in consequence of which the price of labour, being raised 25 per cent. just as its products, both in cultivation and industry, will leave also the two classes of labourers in the same situation they were in previous to the tax; each

each of them was then in possession of 20 millions out of 60, each will now get 25 out of 75.

I think also that *then*, a Minister of finance, ever so anxious about his operations, ever so zealous for the establishment of none but *productive* taxes, could not conceive a single article of consumption that might suffer by this arrangement; it would appear too evidently that every one would *then* have the very same faculty of consuming, manufacturing, or saving, under the denomination of 25, all that he had before consumed, manufactured, or saved under the denomination of 20.

It would also be seen *then*, that the success of those taxes termed *productive*, is not to be ascribed to the abilities of the *taxator*, but to the abilities of the persons *taxed*, who have taken care to right themselves by so much as the *taxator* ought to have been afraid of being unjust.

*Then* also would every one be sensible, that the advance in all the prices could not be only of a 12th part, or  $8\frac{1}{3}$  per cent. as in the glorious system of a poll-tax established by Divine Justice, but of 25 per cent. neither more nor less than in the

the system of the *land-tax*, neither *more nor less* than in the system of an exclusive tax *upon luxury*; that consequently *wheat*, as well as produce of any other sort, as well as *labour* which gives the whole, *would be indebted to the tax for a fifth part of its new nominal value*, and that 50s. would be the *medium* price of wheat;—its *necessary* price, but not more *necessary* in that *merciless* taxation, than in the *merciful* one laid on the exclusive consumption of the rich:—and this calls for the attention of every individual; nor can it be too often repeated, because *then* neither hypocrites, nor enthusiasts, nor good men, nor manufacturers, nor farmers, nor proprietors, could any longer deceive themselves or others, on the price of labour; it would be too self-evident that the said price ought to increase with the taxes, and that no one would be injured by that increase.

*Then* it would also appear, that some people had very good reason to say, that the burden of all taxes, falls one time or another, on the landed property; but who could refuse to admit besides, that I am tolerably founded in insisting, that when taxes have in fine reached every part of the whole, no one part can feel the weight?

*The*

*The money proprietor*, it will be said, the *lender alone* will be aggrieved; he must lose the fifth part of his usual comforts, he must pay 15 for those articles which he could procure formerly for 12.

I shall confine myself to three answers:

First, *Is it not self-evident, that any financiering operation, which reduces from 5 to 4, the interest of a national debt, deprives as well the lender of the fifth part of his comforts, AS IF THE NATION HAD LOADED HERSELF WITH TEN MILLIONS MORE, TO BE PAID ANNUALLY? (such is the present hypothesis.)* There stands, therefore, between the two cases no other difference, but the *palpable* justice and necessity of the one, and I believe we may say, the *unsuspected* inutility and injustice of the other.

Secondly, We have already seen that the loss of the lender, in all cases, flows essentially from the nature of his capital; that it is inseparable from the advance of prices, whether *that advance* originates from an accession of wealth, or is produced by taxes, or brought on by monopoly; and that besides, by lending to the State, with the certainty that the State could not pay the interest

terest of the loan without the assistance of an impost, he has beforehand submitted to the effects of an impost *indispensable* to his main object.

Thirdly, If we except a poll-tax, which we should suppose *laid by Divine Justice*, and which, in the present hypothesis, should wrest from the lender only a twelfth part of his enjoyments, where is the system, which, *in the supposition of a tax of ten millions, being now necessary in England*, would not deprive him of a fifth part of those enjoyments?—We shall see presently that a *compound-tax* would perhaps prove still less favourable; but how much has he to dread, in all cases, from the indirect taxation of the *monopoly*, which it is impossible duly to estimate!

*Effects of Compound Taxation.*

THE system of taxation, which may be called general, is composed of the four different kinds of taxes which I have just mentioned:—First, some kind of *poll-tax*, under that or any other name;—secondly, a *land-tax*;—thirdly, an impost on the consumption of the rich, or *luxury*;—and fourthly, in fine, the freedom taken with *the consumption of the poor*, or general consumption;

tion ; for the sun of reason forces its way through the darkness of prejudices ; these only serve to retard the progress of nature wherever light first began to shine. It would be easier to stifle truth at first, than entirely to escape its effects.

No country in the world can be guarded against the injustice inseparable from the *two first parts* of the system of a compound-taxation, whatever may be in that respect the wisdom of the legislature, and its tenderness in the manner of collecting the impost ; no country can be free from that other kind of injustice which results from the general prejudice in favour of the tax on luxury, which constitutes the *third part* of the system under examination ; but the *ensemble* —the whole together, does not produce every where the same effects on the prices.

In *France*, from the beginning of the present century down to the time when *Monf. Turgot* was intrusted with the department of the finances, the sum of what I can collect from the *French* mode of taxation, is, that without any determined system, without any other rule than the immediate want of money, and the facility of procuring that money by means of a loan, at any interest whatever, they had successively taxed  
whateve,

whatever came first to hand, or occurred to the imagination of the comptroller general for the time being; nothing was spared, in order that no one should complain; landed estates, employments, money, individuals, the one because he was industrious, the other because he had no industry and *that he might acquire some*; this man, because he had a *title*; that other, because he had none; a third, on account of what he consumed; a fourth, for that consumption to which he was doomed,—(*an expedient which, together with the galleys, was devised by the farmers general, as an admirable stroke upon smuggling*). No sin more venial, than to take some liberties with a compound of such motley pieces; nothing more severe than the reflexions thrown out against it on the other side of the channel; and nothing can more forcibly prove that *France* was planning some reform on the subject, than the orders given most minutely to enquire into the principles and effects of the various modes of taxation adopted in other parts of *Europe*. I think, in regard to all those parts of *French* taxation, which I have alluded to, as every intelligent man does in *France* and *England*: nevertheless, if one cannot positively affirm, that the result of such a chaos of strange regulations, has been, that every

one perceiving the burden to be general, nobody ever thought of easing himself at the expence of others who appeared to have been loaded in the same manner, yet it cannot be contradicted, that, notwithstanding the want of true principles on the part of the *taxator* in *France*, the price of every thing might have continued to this day, without material alteration, had it not been for an event, of which I shall speak in the sequel; and if it were true, as some very deep politicians will have it, that *the more depreciated commodities are in a country, the quicker that nation advances towards opulence, because, in such a case, the national manufacturer has it in his power to favour the foreigner by underselling all other countries in the world*; if this principle were not at least questionable, as I hope to prove it by and by, every one would admit that the *compound-taxation*, EVEN COMPOUNDED, as I have just described it, does not appear totally destitute of some advantages.

Before I venture to express my thoughts on the subject, I wish the reader would form to himself an idea of what might be the effect of such a system in *England*;—in *England*, where every man is a calculator, and adds without ceremony,

ceremony, on the creditor side of his books, the number of figures necessary to balance those which he thinks too many in the calculation of others. They say in *England*, and there they are more bitterly persuaded than any where else, that taxes take annually out of the pockets of those who pay them, the whole amount of the impost; but *there* as every where, and *there* much sooner than in any other part of the world, justice and reason never fail to put into the head of each individual, what he is to do, that the tax be not paid for a long while out of his own pocket. I may therefore boldly say, that nothing more is wanted on the part of *England*, to join perfectly in opinion with me, concerning the most important point (that which concerns the national debt), than to observe, that every one has always done as secretly and as expeditiously as he could, for himself alone, what I insist it would be advantageous to do openly, with equal celerity, for the general good \*. I now resume my subject.

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\* It is truly farcical to hear *and see* the deep-fetched sigh of a tradesman, when he is reminded by a purchaser, that the subject matter of the bargain is dearer than it used to be: "Alas! Sir, (says he) this very article is "taxed one shilling; and, Sir, I say nothing of that "curled shop-tax." But *why*? If the purchaser has some kind of labour, no matter what, and no matter how,

It would be, methinks, a difficult matter not to conclude, from such very reasonable conflict of private calculations, that, were the *French* system to be adopted in *England*, it would not, in that *land of benediction*, experience the fate of exotic plants; far from degenerating, far from keeping the price of all things at the lowest ebb, it would acquire from the influence of general maxims, and from universal custom, the weight necessary to balance that multitude of private injuries, from which it is impossible to keep it free. Now, this cannot be effected without forcing the price of every thing up to a pitch so much more extravagant, as each man, in such a case, is the natural judge of the indemnity he should allow himself for the tax imposed, and for the advantage that others derive from it; if any one should shrink on the occasion, he finds in his *corporation* a degree of vigour, of which he shares the benefit. The word of the law is the only bridle in *England*; a tax of 4*s.* on a particular article, increases its known price only by something more; but if government gets 50,000*l.* from a tax, under the appellation of *licence*, or any other name, which leaves the man thus

to dispose of, it is evident that, as soon as the sigh will have gone round, the tax will be paid, *without any expence but that of some thousands of sighs exchanged by the community at large.*

thus taxed, supreme judge of the rate, and at liberty to choose the means of indemnifying himself, one may rest assured that such a tax costs the people six times as much as it brings in to government. Let every man candidly weigh this (I don't say undenied, but I say) undeniable assertion, from the circumstances of the moment; let him examine what remains to be done by the land proprietor, that he may not be most shamefully ransomed; let him judge in what predicament that man must stand, whose fixed revenue in money, affords him no resource against the effects produced by such an emulation; let him observe, above all, that the daily labourer will not, *before the matter is brought to the last extremity*, be paid one penny more, *because care has been charitably taken to tax almost none of the articles of his consumption*; and let him then, if he dares to do it, *let him bless the tax on luxury*, and any other kind of impost, *but such as is laid on the objects of most general consumption*.

The *real* necessity of providing for the interest due on the debt contracted during the last war, and the *imaginary* advantage of the intended reimbursement, have compelled the present Ministry (and according to the maxims and ideas that predominate at this time, would have com-

pelled all possible administrations) to impose many taxes of the very exceptionable kind; to their effects add those of the indirect tax of corporations, premiums, prohibitions, and new obstacles thrown in the smuggler's way, it will not be wonderful that the million sterling for the *imaginary* want of a reimbursement, together with the three millions some hundred thousands, for the *real* want, (the interest of the debt) and which, at the worst, ought not to increase the total mass of prices much above 8 *per cent.* actually advance them to 12, whilst in *France* the expences of the late war will not perhaps occasion, *at first*, a rise of more than 6 *per cent.* It will be seen in the sequel why I say, *at first*.

But, they say in *France*—but, they say in *England*, all the articles of consumption are already so loaded, that it is impossible to think of increasing the weight. The *French* Farmers General themselves tremble when they propose to increase the duties on any article; *will not consumption suffer by it?*—Such is every where the terrible argument that prevents the establishment of the only unexceptionable system, the only equitable, and the only advantageous one to the people—to the people, on whose account they pretend to be so anxious.—That system, it is true,

true, would lessen by one half, *the nominal value* of those operations that are held in so important a light, of all those tricks of which the contrivers themselves entertain so high an opinion; but what ease, what leisure would not this very system procure to the Minister! Let us then see whether the formidable argument, on which is grounded the impossibility of doing *the best*, will bear the analysis, so *formidable* also in so many cases.

*Some Doubts on the supposed Impossibility of laying all Taxes on Consumption.*

THE universal voice in *England* is, that so many taxes should be laid, as are necessary to answer the exigences. Ministry, Opposition, Subjects, all agree in this essential point; but if we except some taxes which bear principally on the land proprietor, who never says any thing, and whose silence commands that of every one who shares in his burden, the ablest man in the three kingdoms is not capable of proposing one, on any article, which would not be followed by a petition from those very men who do not even wait till it has received the royal sanction, in order to derive from it an extravagant advantage, if it be within the meaning of *licences*, and perhaps only

a profit *rather above* a reasonable one, if it bears on an object properly specified.

I have perused several of these petitions ; and the substance of what has appeared to me most striking in every one of them is nearly this : “ Let every thing be taxed in *England*, nothing more equitable ; let every thing be taxed, *every thing*, except all the things that concern your humble petitioners : you cannot tax them, without ruining their trade ; and not only their trade, but also the whole trade of the nation at large ; and not only without ruining the whole trade of the nation at large, but without stifling that principle of liberty, that noble spirit of life, which has so highly distinguished her above all the nations in the world.”

Were any one to infer, from the foregoing extract, that my intention is to stigmatize the use of *petitions*,—notwithstanding the most invincible antipathy I bear to exclamations, which, for the most part, betray either weakness or hypocrisy, I should exclaim, O Divine Liberty, of *humbly shewing*, to the most respectable parts of a nation, all kinds of ideas, whether absurd or reasonable ! Divine Liberty, never treated in *England* but with that regard which is due from  
one

one man to whatever comes from another man !  
Divine Liberty, who givest to the Legislator,  
the time, knowledge, and often the means, necessary to prevent him from falling into such errors as it is not beyond the power of human nature to avoid, . . . be thou ever blessed, and mayest thou be worshipped wherever men are not infallible, and wherever millions of men may suffer from a single mistake !

In *England*, the produce of taxes on the various articles of consumption, amounts, I suppose, to 8,000,000*l.* : in order to procure the 5 or 6 other millions required, a part of which is necessary, a part of which is supposed to be so on account of the plan of a reimbursement, the land continues to be taxed for 2 millions, and the other 3 or 4 are taken from perhaps 30 different articles, one of which will bring in 150, another 100, a third 60, a fourth 30 thousand pounds, &c. with a salvo for Government to tax half a score more articles, if it should be robbed rather too unconscionably on the produce of the former ; for, in all countries throughout the world, this is all the conjuration in that part of the administration of finances which relates to the collecting of taxes ; if you rob Government in one point, be sure Government

ment will ransom you, if required, on ten others; nothing more just, but nothing more easy.

Now, if we lay it down for an indubitable maxim, that the most able Administrator of finances, cannot take from an individual, more than what he possesses, it seems to me then that it remains only to examine, whether that very individual from whom, one way or another, out of the 20 he is possessed of, 5 may be wrested,—will be less aggrieved if the 5 be taken out of his pocket, and he be sent to market with the remaining 15, than he would be, were he permitted to go with the whole 20 to market, where he would find those 15 which he used to purchase for 15, charged with the 5 which might have been taken from him at home?

The question more to the point is yet more singular; for it goes to this enquiry:

First, Whether the land proprietor, who is obliged to give at a fixed period three millions in taxes for his land, windows, domestics, and other objects more recently taxed, would think himself more injured if those three millions were divided and laid upon some objects of his consumption,

consumption, while he should observe that by this new order of things he would gain the convenience, not only of paying these three millions by different and remote installments, but also of making use of the money previous to such payment,—without injury to the trader, to whom the interest would be one way or other repaid,—while on the other hand, a part of the money, laid out upon his land, would furnish new resources for augmenting the produce of the taxes, by increasing his faculties of consumption :

Secondly, Whether those unfortunate licensed persons, and others (who so bitterly complain of all the various taxes that produce to them three or four times the sum which they advance to Government) would not be *justly*, as they ought to be, relieved from the *oppression* (that is the word) if such taxes were taken off, and laid on articles of which they would themselves be the consumers :

Thirdly, Whether all those extraordinary, usurious, and unjust benefits, arising from those *oppressive* taxes which I have been mentioning, reduced to their proper point, by taxes that would not increase the price of any article beyond a known degree, would not naturally reduce the *value* of every thing to that *necessary* price I have spoken

spoken of,—to that price which every thing ought to maintain, that the imaginary *oppressed* might not actually *oppress* the imaginary *oppressors*,—that all things may be preserved in a just balance, without any person experiencing a change in his condition;—and consequently, without the consumption of any article being diminished, unless fancy or fashion should transfer it to another article that will indemnify for the deficiency.\*

From *England* let us pass over to *France*, and always taking for granted that a Minister of finance

\* I must confess I wish also that a little time could be spared to examine whether all kinds of taxes, already devised or to be devised, already established or to be established, on any other object but *consumption*, whatever may be the appellation with which they may be honoured or disgraced, from the land-tax down to the shop-tax, *are not in fact so many poll-taxes*:—that is to say, I wish they would be pleased to examine, whether that man whose *band* is obliged, *under pain of distress*, to give at such a day such a sum, can, upon due recollection, disguise to himself that his *head* is as really taxed, as if the subsidy to be paid was called a *poll-tax*, or *la taille*. If I am not mistaken, the case is this: the shopkeeper feels that he ought not to pay a tax upon his shop; he pays it and cries out like an eagle; he is right: the land proprietor does not know that he ought not to pay a tax upon his land; he pays it and says nothing; he is wrong: the Minister

finance is not a conjurer, and that he can take from the pockets of the people no more money than they possess; I wish it could be examined:

Whether the 41 millions of *livres Tournois*, produced by the poll-tax, and which should be paid no longer, when that tax should be transferred to, and divided between all the articles of *the most general consumption, and of course the most productive*, would diminish the general faculties, by increasing the value of those objects, to the whole of that sum which the contributors would gain by paying no longer the poll-tax.

I would have it also enquired into, whether the clergy, finding the objects of that general consumption loaded with 11 millions more, could be aggrieved by the sole disappointment of giving no longer *gratuitously* to his Majesty, those

Minister wanted money; he thought that nothing remained untaxed; he suspected that the land proprietor would at last cry out as loud as the shopkeeper, if the land-tax was increased; he taxed the shops: a shop, in truth, does not appear (very evidently at least) more sacred than the land upon which it is erected.—It is not at all impossible, but that in some few years all these misunderstandings will be talked of with as little reverence as witchcraft; but till then, the good mother Nature must work underhand, as she ever did, and probably ever will.

those 11 millions which they are now *compelled* to pay ; and whether they would not be left in possession of all the faculties necessary to satisfy the first article, as soon as they should be freed from the other.

I should also wish the *French* to examine whether the 76 millions *Tournois*, paid in that country for the *three twentieths*, instead of being very often called for, *at a time when the Subject has them not*, transferred to those objects which cannot be consumed but by means of the money remaining after those 76 millions are discharged, would impair the means of the contributors, although after having eased them of that truly terrible tax, the Minister should, in a manner, juggle them out of the whole amount of it, by another impost on consumption. Supposing even they had some suspicion of the trick, I wish it were examined whether they would think themselves injured by paying in the new way that amount, by installments at their own time, and till then laying out a part of it upon their lands, the revenues of which would of course increase in proportion.

But above all, I wish it should be examined, whether 91 millions of another kind of subsidy, called

called *la taille*, added to 7 millions and a half more, laid out in expences for warrants and distresses, necessary to enforce the law of the subsidy, transferred upon the consumption of those from whose hands the *subsidy* is directly wrested, against whom the *warrants* are issued, upon whose goods or body the distresses are executed, would diminish the faculty of that poor people's consumption, if, by means of that consumption, by the suppression of the old *subsidy*, of *warrants*, and *distresses* attending the same, they should acquire the faculty of consuming cheerfully, what they often consume in bitterness and sorrow; and whether the department of the finances could lose by it any thing more than the pleasure or trouble, or rather the necessity of assessing a dreadful subsidy, issuing out warrants, and distressing the body—when there are no goods to be distrained.

*But in this scheme the expence is more considerable.*

This is the grand objection: *The expence is more considerable!* Reduce the unfortunate to a bed of straw, or cast him into prison, to spare the purse . . . of whom? — For after all, supposing even that a few additional charges ought to be compared with millions of inconveniences,

niences, injuries, and acts of barbarity, which are inseparable from the other methods, let it be examined whether the extra charges can produce any other effect, than that of advancing by a few *deniers pour livre* the general price of merchandise; let it be examined whether that advance is not a matter of perfect indifference, provided that the price of the provisions sold by the land proprietor, *who is styled rich*, and that of the wages of the labouring man, *who is called poor*, rise in the same proportion as the goods of the *capitalist* of industry, who stands equally and as essentially in need of the ease of the *poor*, as of the opulence of the *rich*.

In fine, Let it be examined whether there is any thing great, courageous, just, and fair, that may not be expected from the *French* nation, when she shall be admitted to the honour of being heard,—or when they will be kind enough to convince her. — A King of *France*, with the trifling help of his provincial administrations, may do, and play with every thing: a King of *France* is truly a despot; not from that absurd right of giving his *will* for *reason*, but from that principle which is congenial to the *French*, that the People and the King are but one, have but one interest, and have nothing

thing to fear but the ignorance of a Minister, conscious of his inability, without the least thought of the resources he has at hand in such a case, without principles to guard him against committing those injuries which seem to him unavoidable, in order to conceal the errors which he has been, or fears to be, guilty of; a Minister, in fine, whose insignificant little self, wrests from the King and People, the fruit of that *identity* which forms the acknowledged essence of the *French* constitution.

What seems to be in *France* no more than a fortunate prejudice, is every where an irrefragable truth: in every country the strength, power, and riches of the Prince, are but the sum of the force, power, riches, energy, honour and *susceptibility*, which actually exist in the mass of his subjects.—But if the Sovereign be the most powerful man in his kingdom, only because all its strength centers in him; if in this age, the most complaisant, the meanest Minister should not dare even to insinuate a contrary idea before the Prince the most jealous of his authority; how can he presume to think, or to hope, that it will be in his power to persuade the Prince, that he, the Minister, is the best informed man in the Empire, before he has collected all the

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information

information that can be got on every object that does not call for an immediate execution?—And how can he pretend to have collected every such information, when in addition to his own ideas, he goes only by those of the few dependents who surround him, dependents as much on their guard before him, as he himself is circumspect before the Sovereign, when the Sovereign, before he asks his advice, has the misfortune to let a single word escape that betrays even the appearance of an opinion on the object under deliberation?

*Recapitulation of the foregoing Thoughts on Taxes  
and their Effects.*

THE fate of the various kinds of taxes, is similar to that of political operations, which pretty regularly bring about the very contrary of what had been expected from them: thus if you tax the consumption of the rich, presently the poor alone will pay the impost, and will continue to pay it till an insurrection will make you sensible that he is brought too low; now this insurrection is commonly the consequence of a trifling scarcity, which, it seems, Providence sends to the unfortunate in order to encourage his asking  
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for justice, in the only manner that is likely to prove successful: on the contrary, let the tax be laid on the general consumption, without sparing that of the poor, the man who possesses, shall be, no doubt, necessitated to pay for the man who has nothing, if the former wishes to enjoy the labour of the latter; and on the very same day, when the tax is laid on the consumption of the labouring man, he will not hesitate to demand an increase of wages to the full amount . . . . How is he to be deceived?—If it be well to deceive the poor as long as possible, then tax nothing but the consumption of the rich. But whatever be the manner in which the impost is laid, as soon as its effect shall be general, the burden will prove null (SAVE THE INJURIES INSEPARABLE FROM ALL OTHER TAXES, BUT THOSE THAT BEAR UPON CONSUMPTION): this effect is no more than a general advance in all the prices: an advance, it is true, already acknowledged necessary with regard to the taxed articles, but dreaded hitherto in regard to all the rest, *where it ought to have been wished for*; universally felt, but never justly estimated; the *nullity* of the burden of the debt would have been determined by the estimation.

The poll-tax, *supposed to be established by Divine Justice*, would enhance the price of labour, and

of its products, but by a fraction equal to that which the amount of the tax should be, in the mass of both revenues, land and industry. Ten millions of a poll-tax on a revenue of 120, would increase the prices of every thing by one twelfth; and every man thus taxed, would evidently after the advance of prices, in consequence of such a poll-tax, find himself in the very same state he stood in before the tax; yet one twelfth more must be given for every thing, but then one twelfth more would be received for every thing.

All other kinds of taxes, as well as the poll-tax, seem to affect only the article on which they are laid; but this article comprehends the three interests, and trebles the action of the tax when the interest of the labouring man, that is, the price of his day's work, constitutes, as it does in *England*, nearly one third of the revenue.—How could it be supposed that the taxing of industry in its products, was granting to its *capitalist* the *right* of increasing his price by the whole amount of the tax, without making it *necessary* for the land proprietor to enhance the price of his commodities at the same rate? And how could it be supposed that the products of agriculture and industry, happening to be, by a very

very just re-action, (whether it originates with the one or the other), increased in price in the same proportion, agriculture and industry should not be compelled to increase of course the price of labour which procured those products? If therefore you advance by 10 millions, the prices either of all the productions of the earth, by taxing agriculture, or of all the productions of the arts, by taxing industry, you equally compel the untaxed part to advance its prices to the whole amount of the 10 millions laid on the corresponding part, *otherwise goods to the amount of 10 millions would evidently remain unsold.* Now the influence of those new prices will enforce by degrees an increase on the price of labour, and this increase will soon be followed by a fresh one on the value of its products; whence it appears at last, that after all the necessary re-actions, the same tax of 10 millions, which by a general *equitable* poll-tax, supposed *as equitable as it is IMPOSSIBLE to make it so*, would only raise the prices by one twelfth, or  $8\frac{1}{3}$  per cent; if laid, either on the land, or luxury, or general consumption, would necessarily advance the prices, sooner or later, to 25 per cent.; the very precise period whereat every one would find himself in the exact state in which he was previous to the tax, paying,

it is true, every thing 25 *per cent.* dearer, but being himself paid 25 *per cent.* dearer too.

Alter the proportion of the usual price of labour, by supposing a country so far barren as to make it necessary to appropriate one half of the revenue to the labouring people; in such case a tax of 10 millions laid on a revenue of 60 would increase by 30 *per cent.* the price of labour, and of its products; 30 *per cent.* would raise the revenue from 60 to 78 millions: now 39 being the half of 78, as 30 is that of 60, the burden of the tax would then prove equally *null*, after every article should have been raised 30 *per cent.*

Alter again the proportion of the common price of labour, by supposing that the cultivator is allowed only one fourth of the revenue; this division may take place in a country extremely fertile; in this case, a tax of 10 millions on a revenue of 60, would only add 20 *per cent.* to the former prices; instead of raising the revenue of 60 millions to 75, as in the case of three equal shares, or to 78, as in the supposition of the revenue being divided in halves, the tax would then carry it only to 72. Now the 4th part of 72 is 18, as 15 is the 4th of 60: therefore if,  
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after the tax is imposed, you give 18 wherever you paid only 15 before that period, the burden will clearly be *null* again, since the increase in the price of labour, must have followed the advanced price of its products, an advance necessitated by the impost.

Here, methinks, I hear the enthusiasts exclaim, *How! the fertility of the land is then of no advantage, but to its greedy owners!*—I am in hopes that before I conclude this Pamphlet, I shall be able to find, to the great satisfaction of all good men, how many advantages remain in the hands of the most opulent land proprietor; nay I hope to prove that in a fertile land there is nothing lost to any of its inhabitants, unless *extraordinary efforts be used to concenter within that spot the general benefit which must result from it.* I shall content myself at present with requesting the reader to compare my thoughts on the taxes, with the two following problems, so often debated both in *England* and in *France*. How is it that *France* has constantly retrieved her errors and her misfortunes? How comes it that *England* has not yet sunk under the burden of her taxes? The *French* exciseman says: *It is because the more the people are loaded, the better they walk;* and very sensible

men in *England* used to say, “ *Reason and experience* seem to prove that taxes stimulate industry, and that the poor, *to live as well as before, perform more work without demanding more for their labour.*” (D. Hume’s *Essay VIII. on Taxes*). It seems to me that the above two problems are more humanely solved by the reasons I have produced, and that those reasons destroy all idea of a miracle, or of the necessity of loading the people in order to spur their industry, and encourage them to work: on the contrary, to forward those two great points, it is necessary to increase the price of their labour in the same proportion as that of its products is raised by the taxes; and this will suffice to render evidently *null* the burden of all taxes whatever.

*Further Considerations on the Necessity of a Correspondence between the Prices of Agriculture and those of Industry.*

I HAVE said it more than once, and beg leave to repeat it here: Let any essential object be denoted by one number or another; it is a matter of perfect indifference, provided the numbers intended to denote the *mass* of objects corresponding thereto, do not present any ideas  
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contrary to the proportion of labour which exists between the *essential object*, and the mass which is to form its balance. Thus then, be the value of wheat, which serves as the general standard, because it is useful to all, at all times, and which ought to be so, from another consideration almost equally powerful, namely, that it constitutes about one third of the landed revenue in *Europe*—be its value, I say, denominated 30, 50, or 25, nothing more indifferent, provided the numbers denoting the value of the other products of land and industry, keep exactly, either by more or by less, within the same proportion; it is clear that, in such a case, neither the land proprietor nor the *capitalist* of industry, can undergo from the alteration in the numbers, any real alteration in their circumstances. But to think of nothing but the manufactures, and imagine it possible to maintain, and endeavour seriously to maintain, wheat at the same price, whilst the taxes advance by 10 *per cent.* that of the products of industry,—is to aim at the ruin of agriculture, and to oblige all the proprietors of land and money, whose employments in the State would not indemnify them for such an injustice, to go in search of another country, where the manufacturer, better acquainted with his real interest, would know, or act as if he knew, that the solidity of his wealth

wealth is inseparable from that of the land proprietor, and from the ease of the proprietor of money, and of the labouring man.

Then perhaps those national manufacturers, so proud and so jealous of their exportations, so greedy of premiums, prohibitions, restrictions, encouragements of all kinds, would sue more ardently to have those nuisances suppressed, than they ever did for their establishment.

Nothing more admirable than those regulations to which *England* acknowledges to be indebted for the best part of her wealth and power; but they crept in at a time when ignorance generally prevailed, when all the other parts of *Europe* had almost no idea either of the principle of commerce, or of its influence over all the other resources of society. In effect, from what known point could one then start, to imagine that a nation, who openly countenances monopoly at home, in order to encourage her foreign trade, lays the most solid basis for the monopoly she wishes to secure to herself every where? How was it possible to conceive that the *Dutch*, a nation so necessary to those that are deficient in means, and so forcibly compelled by the superabundance of their own, to make them serviceable to those who stand in need of them, could not be shut out from the *English* ports, without depriving the rest of *Europe* of the  
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advantage, which their admittance every where was necessarily calculated to procure to their correspondents, by securing to them, *as well as to England*, a competition so essential to all, and fatal to monopoly alone? *Europe*, busy at that time in search of another sort of equilibrium, did not consider what weight commerce, carried on upon such principles, would throw into one of the scales; how could *Europe* then suspect that it would overthrow the balance entirely? But what is the final result of all these projects against Nature?—The pretensions of the Ecclesiastical State stirred up all *Europe*; and the Pontifical See was fixed in its proper place. *France* roused all *Europe* against the ambition of the House of *Austria*, much more formidable by its real power; the Imperial Throne was fixed in its proper place, and *France* was hailed as the founder and assertor of *European* liberties. Soon after the Protectress became a despot; *England* stirred up all *Europe* against her, and *France* was, awkwardly, thrown out of her proper place; *England*, the principal instrument of the revolution, made an improper use of her importance, as had been successively done by the Ecclesiastical Power, the House of *Austria*, and by *France*;—the Armed Neutrality appeared, and presented a code of laws unheard of before; it was just; every nation,

nation, that had not bowed beneath the *English* yoke, adopted it:—there was an instant, when this armed neutrality might have dictated both to *England* and *France*, laws as equitable as the code itself; and all *Europe* would have applauded, had even *England* and *France* united, at that very instant, to exterminate in concert the whole naval force of *Europe*, then burnt the exterminating fleets, and themselves given to all the world those very laws of equity which were intended to be imposed upon them.

Every thing, at this moment, is in that happy state, which gives time to reflect upon what is past, to see what is present, to look forwards to what is to come, and to consider an *ensemble*, the very idea of which could not be admitted during former periods. A few clouds, dispersed here and there, do not spoil the beauty of the horizon; no body can now, for any length of time, think it his interest to ruin and destroy; and every body is concerned not to suffer any thing to be destroyed. I return to my subject, if I may be said to have deviated from it.

If a diminution in the price of the necessaries of life be looked upon as so very important, there exists a sure method of effecting it, even in *England*,

land, without any detriment to the land proprietor. Let us see whether this very method would prove injurious to the true interest of the manufacturer, who must be patronised, cherished as the fountain head of riches; I mean that kind of riches called *money*, which could not long subsist without the riches called *wheat*.

*Fourteenth Hypothesis.*

Let us suppose, that, by the suppression of the monopoly enjoyed by the manufacturers, and of which they are so jealous, the price of the whole of their goods should fall one tenth; in such a case, the wheat which the new taxes will enhance in price, I suppose, in the proportion of 40 to 44, would, upon a medium, fall back to 40; and in this case again the produce of the manufactories would only cost industry 20 instead of 22, at which they will be rated when wheat shall have risen from 40 to 44; for, in the latter supposition, it will be necessary for industry to pay finally this increase of expence, in favour of the artificers, who would not long submit to an injustice, without presenting *petitions* in their own way: just as wheat must indispensably rise from 40 to 44, in order that the land and money-proprietors be not compelled to leave their country, to the great prejudice of the internal consumption, so essential to the truest interest of the manufacturer.

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Let it then be supposed, that wheat should fall from 44 to 40, and so of all the rest;—I confess that the proprietor of money would thereby become a gainer, and that the general persuasion is, that it is salutary he should lose: but would he long support his gain? Would not the encouragement which every thing must derive from this new order of things, from that activity which trade would find in the new channels that would open every day, when commerce should build on that true principle, acknowledged to be the only unerring one, *the exchange of commodities*, (excepting the bullion required for the five articles before mentioned)—would not that activity, I say, that encouragement, inspire in all parts of *Europe* an eagerness for labour, necessarily followed by an increase of *real* wealth, a creation of new productions, and by an increase of that *imaginary* wealth, still more stimulating than the former, because it is its proof and its pledge, but which cannot be obtained without a general increase in all the prices?

Will it be said, that, on the first moment, the fall of prices would affect the intellects of those who can only see, but never compare? that the people, for instance, would lament their being reduced to 10, from the 12 they had been accustomed

customed for some days to receive, although they should pay only 5 for what cost them 6 before? In this case, keep up the prices, but without exception, and export on the true principles of exportation: take for your guide the example set up by my countryman, the *American of Philadelphia*, in selling dearer because you are compelled to do so; propose to buy dearer also, and this will be only an act of justice; you will see hereafter that you would at last be just, in spite of yourselves; be so intentionally: you cannot come down to the price of your purchasers; raise their prices to a level with your own, they will observe that even the first profit is not the lot of the first bidder, if every one doing justice to himself bids in proportion: mean while, the eagerness for labour goes on increasing, and by little and little the benefit extends to the lowest wretch that dwells in the community; he finds more work to do, and a greater reward for it.

It will be said no doubt, that this is another supposition of a general agreement.—No, certainly not; it is enough for every one to see that it must be so; that it will happen without any other help than the private interest of each individual; that these private and niggardly measures, already taken,

taken, or to be taken, in order to prevent the result of all those personal interests, are of no use but to keep justice at a distance ; to multiply the number of injuries which daily take place, till what must be, comes to pass ; to produce a greater evil, where it might be less ; to substitute *forced, to necessary* prices : but it is so evident that wheat, and all the productions of the earth, should increase by one tenth, as soon as the taxes, or an accession of wealth, shall increase by one tenth the price of the products of industry, that it is necessary to lay this principle as the basis of all regulations, *or else openly to adopt as a maxim, that agriculture should be sacrificed to industry.*

This maxim, I set forth of the correspondence required between the prices, together with the inconvenience of having them too much out of proportion with those of other nations, militates, it is true, against that monstrous system of prohibitions, corporations, &c. which is the only burden entailed upon us by our forefathers, *the only burden* which the present legislatures can transmit to posterity ; but although it might be an absurdity to suppose a reform as sudden as it would be advantageous, yet would it be less absurd to suppose that, the evil being once found out, the remedy will constantly be rejected ? Would it be less absurd to suppose, that the  
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manufacturers, better acquainted with their real interests, will persist in endeavouring to aggravate the evil, instead of complying with the only means of retrieving it? Would it be less absurd to suppose, that each of them will never perceive that he pays for the privilege of ransoming in his branch of industry, by the disadvantage of being himself ransomed on a thousand other objects? *Russia*, 30 years ago, was perhaps more distant from her present state, than the unmasking of monopoly, and the knowledge of its effects, will be from its extirpation.

*On a Cause little suspected of high Prices.*

I AM not ashamed to own the prejudice I entertain against a diminution in the price of any thing whatever, when I observe that discouragement, at least in the part affected, would be the consequence of such a diminution; whilst, on the contrary, a gradual, general, and proportioned advance in the prices of every thing, is constantly followed by a greater activity in all the branches of labour, which really increases the quantity of its productions, in a proportion far superior to the advance on that imaginary, *nominal* value, acquired by fermentation; my intention, therefore, cannot be to declaim against one of the most

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potent causes of the high prices prevailing in *England*, and which nobody, I think, has yet mentioned. This last expression shews, that I do not mean here, that quantity of paper-money, to which many people, in more than one kingdom, ascribe all the evil, of which the sole real part is the work of monopoly. I think I have proved, that it is impossible there should long remain in circulation any paper above the necessary quantity: all would flock to the Bank to be paid in cash, had not the Bank enough of it to discharge her notes, when presented, with such readiness as to leave no doubt of the validity of those other notes, which, in the natural course of things, would not be presented there to be paid in money. The Bank would derive very little advantage from the momentary cheat of paying off large sums in sixpences; this legerdemain is admirable, but can suffice only to correspond to the wanton tricks sometimes played by great politicians, to give the Bank a momentary trouble. It is, *then*, necessary to rock those children, whom great men make it their amusement to scare; and they must be rocked till they are fast asleep, or till the great men are tired of making faces at them. After the farce is over, the children wake, and do not even remember to have been frightened; money is found wherever it is necessary,

fary, and every thing returns to that order which it is every one's interest to maintain.

What then is that other cause, so active, so cogent, not of that extravagant price which monopoly alone can occasion, but of that price rather above the *necessary* one, which gives to every thing an increase of vigour? It is credit. It is that prodigious talisman which realises all that it conceives, since all that it conceives has the same advantage as reality. How many capitals would never have existed, had not credit supposed them several years before they did really exist? How fill up the real chasm of capitals, which may, in an instant, suspend a hundred manufactories in a kingdom, and, by that suspension, ruin, starve, the trader, the merchant, the manufacturer, the mechanic, all, except the farmer, whether proprietor or tenant, who, by the counter-blow, could not die of hunger, but in real misery on his stacks of wheat, which he would no longer attempt to reproduce.

That man is ignorant of his own value, who, pen in hand, weighs, calculates, measures time, distances, expenditure, obstacles, facilities, occurrences; and whose signature, on account of the supposed exactness of his combinations, will

soon after produce, at two or three hundred leagues distance, and in fifty places on the road, the same effect which would have resulted from the real possession of the object of which this signature is the pledge. If he shares with all those whom he makes easy, re-animates, or puts in action, the benefit which they derive from the speed, as well as from the supposed certainty of his operations, undoubtedly no one will dispute his title to the reward; and yet we shall see presently, that this medal is not without its reverse, *supposing an advance in prices to be an inconvenience.*

I shall apply the principle to a fact very well known in *England*.

In the year 1762, about 2000*l.* sterling, carried to the island of *Grenada*, was there received with that veneration due to gold when we have been years without seeing any, and have not yet forgot its virtues.

The above sum regulated the markets; coffee was set up at eight or ten pence *per* pound; sugars sold *per* quintal thirty or forty shillings currency; the inhabitants were in perfect ecstasy: I shall say nothing of the device practised in order

order to *book in*, by means of those 2000*l.* about thirty times the value of that sum, and yet satisfy every body: that is foreign to my subject; but I will say, with pleasure, that an honest gentleman, moved at the distressed situation of another who was dunned by merciless creditors, gave him in hard cash a trifling part of the sum he wanted, and for the remainder furnished him with his own bills of exchange on *London*, assuring him that those to whom they might be presented would take them for cash without any demur. Those bills had fully the promised effect; the same gentleman obliged several other persons; the benefactor soon met with competitors, all difficulties disappeared by means of scraps of paper on *London*, and the debtor who, on the landing of the precious metal, had deemed himself too lucky to sell his coffee at ten-pence and his sugar at 40 shillings, now offered impudently his bill on *London*, indorsed by some patron, if a creditor refused to give him 45 shillings for his sugar, and twelve-pence for his coffee.

Gold, attracted by the first homage paid to it, came in plenty, and fell in value by the establishment of credit; it afterwards took another course, and went, no doubt, somewhere else to supply the want of credit, and pave the way to it. From that

moment very little money came to *Grenada*, and no one ever wished for more; but then the price of commodities was advanced, and the readiness with which goods, to the amount of several thousand pounds sterling, were delivered to such a planter as, six months before, would not have presumed to demand the sixth part of them, did not permit him to start any objection against the prices set on the goods he stood in need of, when he thought himself indemnified for the excess in those prices, by that at which his were rated, *and by the time granted him to make good his payments.* The *Grenadians* abused this credit, as they did in *Scotland*, and unfortunately at the same period. But this is not the matter in point; the present object is, that the establishment of credit in *Grenada* enhanced the price of every thing there, and that the encouragement and activity resulting from that increase doubled, in the space of six years, the real quantity of the products in that colony, whilst credit had, in the end, increased its nominal value hardly one tenth. In 1764 the exports of *Grenada* amounted to 206,889*l.*; in 1770, they were at 433,421*l.*; two years after, they rose as high as 492,974*l.*: it may be added, that in *England*, thanks to the extension of that miracle wrought by credit, the benefit  
arising

arising from those new products, and the necessity of furnishing the balance thereof in merchandise, propagated, if I may be allowed the expression, from county to county, the necessary means of *consuming*, that is to say, of *realising*, that augmentation of wealth, whose price was constantly kept up by the additional consumption of all kinds which followed it: such is the usual chain.

In effect, do but observe how easily a creditable merchant buys from the manufacturer, payable at twelve months, an enormous stock of goods, which he is himself obliged to sell, either to the consumer or to the retailer, at twelve, eighteen, or twenty-four months credit, and which often are not totally paid for at the end of three years. What difference in the prices must be the consequence of that series of *facilities*! Are high prices an evil? Put an end to credit, nothing more easy; nothing more is required, than to suffer to lie dormant all those laws, which secure to the creditor, the payment of his advances at the precise time when they become demandable: it is that certitude of being repaid, at the needful hour, that often induces the creditor himself to borrow, in order to extricate a debtor, whom he knows to be indiscreet, but from whose custom he derives a considerable

derable yearly profit, upon a prodigious consumption; a profit he would lose, by being less indulgent: take away from the creditor the certainty of extorting his repayment, if it should be refused at a moment when a critical event should render such rigour indispensable, credit is destroyed, *as well as* the consumption which followed it, *as well as* the production of the earth which could not be paid, but by those manufactories annihilated by the want of consumption: cross the Straits of *Calais*, and (in order to console the worshippers of the balance) add, *as well as* thousands of acres of vineyards in *France*, the produce of which strips *England* annually of so vast a sum! *as well as* thousands of acres in *Italy*, set apart for the rearing of silk-worms, and the culture of olive-trees, which swallow up a prodigious sum of *English* money; *as well as* thousands of acres in *Silesia*, where they cultivate the hemp which *English* money buys in that country; *as well as* thousands of acres in *Russia* and in *Sweden*, whence we are obliged to import, at the expence of so much *English* money, that immense quantity of timber, iron, canvass—articles which would become useless by the extinction of credit, and the destruction of that trade, of which credit was the very soul;—the chain would lead us too far. It is sufficiently evident, that

that then all the goods remaining unfold could not be purchased but with ready money, and *then* indeed every thing would be excessively cheap. Would all that be for the best?—In a word, give up all thoughts of riches, or submit to the highest prices; but let those high prices come to you from the profusion of wealth universally diffused, and not from the tyranny of your own monopoly.

*The happy Issue of a desperate Combat between  
Monopoly and some private Interests.*

THE scene of this combat does not lie in *England*; we have seen that there they think of nothing more than to keep the balance even, and make up, as fast as possible, each in his own department, for the injustice granted to the importunity and cupidity of others, without any other inconvenience arising therefrom, than that of having a very large surplus, excessively dear, and that of not being able to procure what is wanted at the lowest rate, nor of the best quality. Even Smuggling, which follows certain regulations, with bludgeons and pistols in hand, cannot produce any great effect on the sum of national labour, though it may perhaps considerably influence the revenue of the Exchequer; it is probable  
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that the smuggler exports as much *English* work into *France* as he imports of *French* work into *England*; and that, in this respect, the gain of the most fortunate individual comes to very little: my intention is, to speak here of a combat, which has lasted a hundred years between the *French* FAIR trader and the *American* smuggler.

The system of administration adopted under Monf. Sartine, for the *French* colonies, a system, for which they are indebted to ten years labour of Mr. Malouit, the present Intendant of *Toulon*, permits us to speak now of that combat, and to descry the dawn of a more serene day, opening upon those colonies; till then, I should not have hesitated to call them unfortunate, *in regard to their means*, if the private interest of the inhabitants, as well as that of the general officers, Intendants and Directors of the Domain, (interests never combined but amongst the latter) had not moderated the effects of that dreadful punishment the galleys, denounced at the request of the *French* merchants, against any one who should presume to import a negro or a cheese from the *English* islands into the *French* colonies, however good the one, however industrious the other might be; and whatever advantage might be gained by paying for both in molasses which  
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the planter was obliged to throw away, *because the French merchants would not buy it.*

It is true, that the humanity of the *great* smugglers has often suffered the *little* ones to escape, before or after sentence, (the negro and the cheefe being duly seised); and that a dozen of the little smugglers whom the policy of the great ones sacrificed *by installments* to the clamours of the merchant, were nearly the only victims of that barbarous law, the strict execution of which would have deprived *France*,

First, Of the fifth part, at least, of the present revenue arising to her from her colonies;

Secondly, Of all those branches of industry to which such an addition of revenue gives constant life;

Thirdly, Of all the profit which the *fair* trader, the instigator of that barbarous law, gets annually on the importations and exportations which that additional income requires;

Fourthly, Of the duties which the King's treasury receives directly, or indirectly, from  
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the one and the other ; (it is impossible to estimate this article;)

Fifthly, and in fine, of the assistance which the State derives for the Royal navy, from that increase in its trading one, which became necessary after the increase of a revenue, due to people who should have been sent to the galleys, had they been caught in the flagrancy of such a crime. One half of the cotton and coffee which is gathered at *St. Domingo, Martinico, Guadeloupe*, and *Grand Terre* above all, owes its existence to negroes, constantly furnished to the *French* smuggler, both great and small, by the *English* merchant, the natural, and as it plainly appears, the necessary enemy to *France* and her trade; the quantity of sugar and indigo which in the said colonies owes its existence to the same means, is much more than necessary to make up that fifth of the revenue, the glory of which may be claimed by the smuggler, though the *fair* trader comes in for a share in the profits.

Any one desirous to have this fact confirmed, may be informed of it by nine tenths of the *French* planters, provided they be taught that the time is now come, when every useful truth may

may be spoken, even with energy, when accompanied by decency. This once ascertained, he is no native of *America* who will refuse his evidence; an *American* believes in every thing that is just and reasonable, the very instant that it is pronounced.

I sincerely wish that smuggling might produce in *England* the same good it has done to the *French* colonies; this would appear to me very just, and the more so, since it will not be the fault of the *British* commerce, if that blessed contraband, after having given life to *America*, does not spread the same animation every where, *Great Britain* excepted. I have heard an *English* manufacturer prove at the bar of the House of Lords, that his manufactory was in want of a special patronage, by so much the more, as the size and brittleness of his ware made it a difficult point for him to smuggle it over to the continent, and as a duty of 30 *per cent.* had been lately laid upon it, in the two countries where it concerned him most to have it exported. Amongst other questions that were put to him, I remarked four, which would have stunned me, had I been in his place. One of these questions was as follows: "Have you  
" not heard that that 30 *per cent.* of which you  
" complain,

“ complain, was laid in consequence of some  
“ prohibitions, or extra duties imposed in *Eng-*  
“ *land* on some articles imported from those  
“ very countries which you allude to?” I could  
make nothing of the manufacturer’s answers;  
they were so long-winded, they had been so  
carefully studied, they were so very full of a po-  
licy which I do not understand, that it became  
impossible for me to class them under any heads  
in my memory.

*Reflexions on a very strange Revolution in France.*

A General maxim, almost universally adopted  
beyond contradiction, and the foundation of an  
hundred regulations, enforced from pole to  
pole, is, that it is essential for all national com-  
modities to be at the lowest price, in order that  
foreign trade may turn out to the best advantage;  
that is to say, for the native traders to be able to  
dispose abroad of the products of national in-  
dustry, at a cheaper rate than any other nation  
can sell those of her own. Certain it is, that the  
less price national commodities will bring, the  
less of the products of national industry will be  
necessary to pay them off, the more of course  
will there remain of those products to stock the  
foreign

foreign markets, and the more also will the foreign purchaser be gratified by the reduced price at which they may be given, to the detriment of the land proprietor of the nation ; this is so self-evident that it cannot be withstood. This, methinks, is carrying to an excess the principles of Christian charity, if the Legislators are land proprietors ; it is a shameful abuse of power, if the Legislators are at the head of manufactures ; and in either case one must be blind to the necessity of keeping up an even balance between agriculture and industry.—*Had not Nature militated under hand, and with some advantage against the dreams of speculators in this respect, and against the much more dangerous surreptions of cupidity, to what state of abjection and misery would not agriculture be now reduced in all countries !*

I have said, that the price of every thing would perhaps be now in *France*, very little different from what it was 40 years ago, had it not been for an eventual circumstance, (I might have said a regulation,) which a few years ago tertiated, at least, the fortune of every subject in that kingdom ;—nominally at first, it is true ; but afterwards in reality, owing to the prodigious encouragement that ensued ; I mean the regulation

lation which permitted the exportation of wheat, and authorised each of the *French* Provinces not to consider herself as a stranger to all the others. I shall only make a few reflexions on a matter which might furnish enough to fill a volume,

First, The adopted maxim of the pretended advantage of enjoying the national commodities at the lowest prices, *for the better encouragement of industry*, was not held less sacred at the time the regulation took place, than when that maxim was considered as the basis of the system of exportation *the most advantageous to the kingdom*, and the condition (*sine qua non*) of the many wonders that might be expected therefrom, towards an increase of wealth.—Yet if there exist a regulation calculated to operate in diametrical opposition to the *sacred maxim*, it is clearly the freedom of the corn trade; to be convinced of this truth, one need but attend to its effect in *France*. The little success I have met with in my endeavours to come, in this respect, at some particulars which might perhaps have given me a few ideas, confines me to what I can gather from recollection; but with truth I can say that my memory seldom deceives me on the abstracts it presents to my mind. The reader may perceive, that the summary I now stand in  
need

need of, has no manner of connexion with the little springs that were put in play to ruin the author of the scheme; the chief and true point, is, that all secret intrigues, all public combinations, ended only in occasioning a reform in what was deemed abusive, in a regulation the advantages of which were fully demonstrated; and that the price of wheat, after having tertiated, doubled, trebled perhaps by the help of the forestallers, from whose abilities were expected the repeal of the law and the fall of its devisers, was fixed at last between one half and three fourths above the price, as it was upon the medium of ten years preceding the regulation. It is easily conceived that the price of wheat dictated that of all other commodities; in effect, previous to the last war, the only decisive period in the present point, the nominal revenue of the lands in *France*, increased by one half at least of what it was 15 years before;—then, commodities were, upon the whole, dearer by one half; yet the maxim was held *sacred* still, and is not less so at the present time—in *England* as well as in *France*;—nevertheless I can see no medium; either the maxim is absurd in itself, or *French* industry has lost one third of its benefits by a regulation which tertiated, almost suddenly, the price of all productions in *France*.

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Secondly,

Secondly, In order that industry may be said to have lost that third, the increase of revenue, yielded by the land to its proprietor, must have been cast into some national *vortex*, or sent into some foreign one, or concealed in the earth by the suspicious proprietor; for if the surplus of the landed revenue has occasioned a greater demand for and consumption of the products of industry, and more culture of the land, industry, by raising the price of her goods on the very first increase of the demand, has obtained in the first year, her first share in that accession of wealth; and she could not miss the second, so soon as a larger sum of savings bestowed upon the lands, had brought about what they never fail to produce, I mean, more productions, and soon after a greater demand for goods, and *soon after* again more goods to answer the additional demands.

Thirdly, If that sudden advance in the price of provisions, ended only in an increase almost equally sudden in the price of the products of industry, there could not be then any inconvenience, either to industry or agriculture, in a sudden and proportionate rise which preserved the former equilibrium, and presented the same correspondence between the two revenues; (the only

only thing that can materially affect the two capitalists, though neither of them think about it.)

Fourthly, If there has been no inconvenience in so considerable but proportionable increase in the prices, *coming from agriculture*, where could be the inconvenience in a proportioned increase, equally sudden and general if it *should come from industry*?

Fifthly, What difference can there be between a regulation which raises the landed revenue in a kingdom, from 6 to 9, followed by a re-action in industry, which raises equally to 9 what usually went for 6; and another regulation which would begin the same operation in industry, and should be equally followed by a proportionable re-action in agriculture?

Sixthly, When, by a regulation respecting the corn, industry is at liberty to enhance the price of her goods, in the same proportion as the effects of the regulation have raised the products of agriculture, cannot a regulation that concerns or imposes taxes, and by which industry is forced to increase her prices by the full amount of the taxes,—cannot such a regulation, I say,

permit the cultivator, without inconvenience, to advance the price of the productions of the earth, in the same proportion as the taxes, or the regulation concerning them, have increased that of the products of industry?

Seventhly, Let us suppose that the operation is effected, and followed by the sum of money which a nominal revenue, grown more considerable, requires for the circulation; can there exist then the most trifling difference between the present state of any individuals in the nation, and the state they were in previous to their being loaded with that enormous burden, called taxes?

Eighthly, If after enquiry, the only answer that could be given should be a negative, would it not be profitable to let the public into the secret, in order that after having observed a very singular analogy between a young nymph loaded with a column of several thousand pounds weight of air, each of them as heavy as if it were of lead, and the *French* as well as the *English* loaded annually, constantly, in the same manner, the one with 600 millions of *livres Tournois*, the other with 14 or 15 millions of pounds sterling, they should be led further to observe, with what

what agility, what graces, what sprightliness, the young dancer plays with her load—"trips it along on the fantastic toe," and with what grimaces, what groans, what lamentations, the two vigorous nations shrink under a burden which is not more sensible than air, from the instant that it is as perfectly divided?

I must here go some steps back:

Ninthly, If the nullity of the burden depended on the equality with which it should be divided, and if this equality should depend on an addition to the supposed burden, might it not be expected (not from the tricks of customary seduction, or from the shorter method of authority, but from all the means calculated to enforce conviction) that the nation would find herself less aggrieved by an additional tax, which would tend to equalise the weight, than she could be by an increase of taxes laid for the purpose of effecting a reimbursement, which, upon a second thought, no one can wish for?

Tenthly, Before the regulation alluded to, wheat was, in *France*, one third or one half cheaper than it is at this day; the rest of the other productions of the earth stood in the same proportion: in *England*, at that very time, the price of wheat differed very little from what it

now is. How could *England* then maintain a competition—a combat, as it were, of exportation; against her *natural* enemy (the *French* industry), so lightly, so advantageously armed by the low price of the commodities in *France*?—If the maxim is as just as it is held *sacred*, surely *France* must have derived a prodigious benefit from the barricadoes by which the exportation of wheat was prevented, even from one Province to another, in order that it should be in all at the lowest possible price:—it follows also that *England*, already compelled by her taxes, her internal monopoly, and her riches, to raise the price of her wheat at home, must have undergone dreadful inconveniences, by availing herself, as she has ever done, of the least dearth abroad, to make that very wheat dearer in *England*, whilst she was going to diminish its price wherever scarcity had made it excessive;

Eleventhly, If *France* has obtained such wonderful advantages from her internal as well as external barriers, it is not in respect to her agriculture; her agriculture has clearly lost, not only that part of the value in her productions, of which she was daily deprived by this barrier, but also the encouragement which a gradual increase in the price of the productions would have occasioned,

occasioned, to increase their quantity: it is therefore by the exportation of the products of her industry, which, being sold at a price below that of all other nations, have procured her in money that prodigious balance of exported goods, *which the wretched state of the national cultivator did not permit him to pay for*:—but observe, that the *French* exportation, carried on with that advantage (pretended to be so very considerable) of the low price of national commodities, brought no more money to *France*, than that which she wanted for the five articles I have mentioned before, when treating of the balance of *England*. This matter I hope I shall set in the fullest blaze of evidence.—But, on the other hand, observe also that *England*, by an exportation carried on with the utmost regularity, under the supposed disadvantage of her commodities being rated much higher than those of her competitors, a rate which she even increased herself, by the exportation of wheat, which she encouraged by premiums—*by premiums, destructive of the sacred maxim*; observe, I say, that under that disadvantage, in spite of those inconsistencies, as fortunate as they are real and palpable, *England*, nevertheless, has not failed to procure the money wanted for the five articles, the only ones that can give any value to

money.—Shall it be said that *France* would have obtained a balance in money much less considerable, if she had not kept her prices so low, if she had acted with less respect to the maxim?—Shall it be said, that the balance in money would have been far more favourable to *England*, had not the price of her commodities been so high at home; if she had more consistently acted upon the maxim; if, above all, she had prohibited the exportation of wheat, which is so often lamented, and even sometimes so loudly complained of by her manufacturers?—This indeed would be to appropriate great merit to the resource of hiding money under ground, when we cannot flatter ourselves with the thoughts of having too much of it, but at the expence of agriculture: but no matter; let us see whether the inference be just.

Twelfthly, Had *France* been indebted to the disparagement in the prices of her commodities, for the advantage of procuring the money wanted for the five articles before mentioned, she would have found herself in the impossibility of answering that want, as soon as, by the new regulation, those commodities were restored to their natural value, as soon as the liberty of exporting wheat had raised its price almost to the level of that which it bore in *England*.—Now will it be said, that ever since the landed revenue

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in *France* has risen from 40 to 50 *per cent.* by an advance in the price of commodities, less bullion has been spent by the *French* in plate, in gilding, and other articles of luxury?—Will it be said that *France* stood in need of the money necessary to settle in cash with her foreign correspondents, when this resource from circumstances became preferable to the mode of paying in bills of exchange?—Will it be said that she fell short of it for all those Jewish and miserable operations, or for that reciprocally beneficial smuggling with her neighbours?—Will it be said, that her circulation, which, beyond any doubt, required a more considerable mass of money, as soon as her revenue had tertiated, has suffered by that necessity of a higher balance, become impossible (according to the maxim) as soon as it grew indispensable?—Will it be said, that her industry has lingered away as soon as her agriculture has been more able to enliven it?—Yet all these absurdities must be admitted, or it must be acknowledged that the price of commodities may be tertiated, or doubled in a nation, not only without injuring industry, whose business it is to keep within the kingdom all the money wanted for circulation, but even with securing to the nation a more considerable balance in money, since it must become so whenever the price of every

every thing is raised one third, and perhaps more than one half.—The *sacred maxim* therefore has not even common sense, *when applied to the internal trade of the State.*

Thirteenthly, If *France*, who has not the assistance of paper-money, did actually procure so clearly to herself an annual balance more considerable in money, as soon as she had tertiated her revenue, it follows that *England* must, really, have experienced a competition much more disagreeable, from that very circumstance from which, *according to the maxim*, she had less reason to fear it; for whilst the price of commodities was below *par* in *France*, it is clear that having no *national vortex*, she required less money for the circulation of a revenue of 100 than for one of 150: it was therefore more to the advantage of *England*, in spite of the maxim, that the commodities should be at a low price in *France*, than to have them raised 50 per cent. The *sacred maxim* then is destitute of common sense, *when applied to foreign trade, to the competition abroad.*

Fourteenthly, But if the circumstance which drove *France* to the necessity of acquiring a greater balance in real cash, stood at a very small distance

distance from another circumstance by which *England* was compelled to procure one still more considerable, for a general re-coining of her guineas; and if *France* and *England* have done each other no material injury in this kind of competition, (this is proved by the fact, since both nations have equally and certainly, ever since, procured the annual balance which they wanted); may it not be fairly concluded, that *England* has been no loser, by a revolution in the price of wheat, which enriched *France* by terminating her revenue, and forced her to receive annually, in cash, a balance far greater than she did previous to that revolution?

Fifteenthly, Now if *England*, since the revolution in the *French* prices, has obtained as much bullion as she wished for, or rather all that which she could lay out on the five articles of her common expenditure, and for the additional circumstance of a re-coinage, whilst on the other hand *France* had all her wants supplied with the greater ease, may it not be inferred that *England* could have gained nothing, even upon the supposition that the annual supply of money, become necessary to *France*, had been less considerable, that is to say, even if the *French* commodities had remained in their former state of disparagement?

Sixteenthly, If that increase of prices in the landed revenue has not been restrained to *France*; if it be a fact, as all travellers pretend to have observed, that all the other parts of *Europe* have experienced the same revolution, the same encouragement, the same success, except the difference produced in some places by the singularity of certain laws; may it not be concluded, that although *England* has lost nothing by the revolution, although *France* has proved a gainer by it, other nations have also enriched themselves, namely, one tenth, those where the prices have been advanced a tenth; a ninth, those where the prices have been raised one quarter; one half, those where the prices have risen one half, &c. independently of an increase still more essential, viz. that of the quantity of the productions of the earth, *which always closely follows that of their prices.*

Seventeenthly, Were one to reflect, that this increase in the prices, in regard to the productions of the earth, is always followed by a similar increase with respect to the products of industry, which thereby receives the same encouragement; if, after examination, no one can harbour any doubt of the fact; would it be an easy matter, even with the help of the *sacred maxim*,

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to persuade any nation, whose prices have been doubled, to reduce the nominal of her revenue from 20 to 18, in order to get the advantage in the competition with another nation who, by some disagreeable circumstances, should have been obliged to raise her products from 20 to 22, as *England* is compelled to do? Would not one, on the contrary, conjecture that every wise nation will follow the advice of the *American* of *Philadelphia*, i. e. that she will not hesitate to raise equally her own products from 20 to 22, certain, as she will be by this means, to give fresh encouragement both to her agriculture and her industry, and not to hurt in the least the interest of the nation whom those disagreeable circumstances should have compelled that rise from 20 to 22; compelled, I say, without procuring for her that encouragement which cannot spring from such a rise, *but in as much as it is not necessitated by taxes?*

Eighteenthly, Is it not even probable that every wise nation will be sensible that there is but one way to carry on, without being constantly duped, a commerce with another nation, obliged to raise the price of her goods; viz. to raise, in the same proportion, those which are given in exchange?—This, some will say, is an indirect advice

advice which I take upon me to give to industry ; nothing more useless, will they add ; industry in all countries never fails making that calculation.—I do not assume the liberty of advising industry ; — Industry is far better acquainted, than I am, with her own interest : it is to agriculture I presume to give advice ; and this I have an incontestable right to do, since I myself am a cultivator, an *American* cultivator, and that my fortune cannot increase, nor even stand as it is, but with that of my brethren, the cultivators throughout all *Europe*, whose consumption is as essential to me, in regard to sugars, cottons, coffee, indigo, &c. as mine is essential to them, with respect to wines, flour, oils, hemp, iron, &c. How is it possible to charge them with an advanced price on the goods they purchase, without diminishing their means of buying, *unless they raise their own commodities equally with the above goods?*—How can one diminish their power of buying, without diminishing also my resources for a sale?—How can one diminish my resources for a sale, without diminishing my means of production?—And how is it possible to put a stop to the productions of *America*, without crushing in the very bud all the *European* productions, *which are to pay for them?*—There is not the least doubt, but

but that, between merchant and merchant, alien or native, there never is any difficulty : nothing more candid than their respective conduct ; never a word about prices ; each fixes his own, and it often happens that a bale of goods has been sold ten times upon the invoice, and never opened : —But when a merchant, no matter of what nation, says to his customer, no matter of what country ; *English goods have increased in price from 20 to 22, I cannot have them for less* ; it is essential for every land proprietor, from Pole to Pole, to know that he must not hesitate to answer : *You cannot come down to me, give me leave to get up to you* ; or, in other words, *I also advance my prices from 20 to 22, so that every thing is in its due order, and the cock of the balance stands still in its place*. On this principle, clearly evident and of an irrefragable necessity, I maintain that it is *England*, successively compelled, as well by her wealth, as by her taxes and monopoly, to increase her prices at home,—*England*, trading to all parts of *Europe*, more largely than any other country,—it is *England*, I say, who, to this day, has raised the prices of every thing all over *Europe* ; and I insist, that *England*, once more obliged to carry those prices still higher, once more will compel *Europe* to follow her example, and that all *Europe* will  
grow

grow richer by her means, (as has been the case hitherto) on account of the encouragement which this increase will give in all countries, where *England* may think fit to continue or extend her trade on fair and equitable principles.

It is certain, that one cannot, without some reflexion, comprehend that chain composed of so many incoherent, so widely distant links, that union, that mutual dependance of interests, in appearance so opposite to each other; and that, even with the assistance of a few *hypotheses* sufficient to give an idea of the whole, the only confession subscribed to by the reader, will be, that they imply no palpable contradiction, but that they are nevertheless the mere offspring of imagination, and ought to be ranked amongst non-entities. Yet the two *hypotheses* of which *Rome* seemed to be the subject, were no more, if we except the paper-currency, than the type of the revolution which took place in *France* at the time of the regulation I have spoken of,—a regulation, which in less than two years increased the wealth of that nation from 16 to 24, 50 *per cent.*; as if the *French* had been at last made sensible, that *England* could not work for herself without working for them, and that consequently they had a right to say with my *Roman*: *England*

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*is rich to the amount of 24, only because she denominates 24 that same quantity of wheat which our barricadoes and barriers have obliged us to call only 16 in our country; the only thing to be done therefore, is to set fire to our barricadoes, and break down our barriers, that henceforth the same 16 may be denominated 24, and all at once we shall be in fact as rich as England, without having been so judiciously at work.*

Another advantage that would accrue from that uniformity, nearly general, in all prices, if one would lend an helping hand to Nature, after having been convinced of the impossibility of reaping any other benefit from the obstacles thrown in her way, but the sad advantage of retarding her progress;—another advantage, I say, that would accrue from that kind of uniformity in prices, which undergoes no alteration, but from the wants and demands, is, that all that monstrous system of prohibitions or equivalent restrictions, must crumble of itself: for, with what face could a national manufacturer solicit the means and privilege of making his own countrymen pay 10 *per cent.* dearer for those goods, which another nation tenders to them at 10 *per cent.* cheaper, notwithstanding the expence of exportation? What reasons could he urge

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when, instead of answering, a cultivator should rise in the national council, and ask, for the exportation of corn, an absurd premium which would instantly enhance its price 25 *per cent.*?— But the game of imports and exports to which this last observation alludes, requires to be treated in a separate article which it is not yet time to enter upon; all we have now to do is to think on the means of giving a free circulation to the revenue of all *Europe*, supposed to be increased in the proportion of 20 to 22, on account of the same increase necessary in *England* to pay three millions interest, without any one being the poorer for it. I shall say nothing of the facility of paper-currency, when the inutility of a national robbery shall be once generally acknowledged.

Nineteenthly and lastly, If we are frightened by the necessity of a balance in money, every where more considerable, in order to circulate every where, a revenue increased from 20 to 22, to face the indispensable rise in the prices of *England*, who trades to all parts of the globe; (when we consider besides, that *France* and *England* are by the same reason obliged to add to their respective balance already so loaded,) it appears to me, that, after a retrospective view of what has passed, one may readily be convinced,

vinced, that whenever money becomes necessary for circulation, wherever nothing more is required to circulate and balance objects really existing, and equal to each other, there are always people enough ready to carry money thither; and that this operation, *as all those that are beneficial to society*, is generally effected when it is neither counteracted nor encouraged, *without any one perceiving it*.—Nevertheless it must be confessed, that the pretensions set up by *France*, in regard to a balance, are as terrible, as formidable, as those of *England*, due regard being paid to the difference between the exports of both; I shall examine these pretensions as I have done those of *England*, and bring them besides closer to each other, that they may be more properly estimated.

*The pretended Balance of France in point of Trade.*

THE Work of Mr. *Necker* on the *French* finances, is in my judgement, for that nation, the most precious work that this age has produced; it is a sword hanging over the head of whoever shall fill up that department during the reign of the present King, and of all those of his

successors whom God shall bless with a soul like his. That work would still be precious, though it should serve only to expose the knavery or the incapacity of those who pretended that *France*, preparing for a war which required the creation of a navy, without which she could not carry it on, forced to have recourse to new loans proportionate to such an undertaking, and weighed down, as it was said, by the load of the old taxes imposed for discharging the interest of her former debts, was again on the eve of laying new imposts, in spite of herself, and perhaps of having recourse to those degrading reductions, so lightly, yet so often practised before. The first public operation of Mr. *Necker* (his *Compte rendu*) inspired every one with the enthusiastic spirit of an unbounded confidence, wherever nothing was foreseen but the discouragement arising from discredit. He did not create any thing, it is true; but he dispelled the clouds which had hitherto concealed what really existed; he restored order where confusion reigned before, and treated the mechanical part of the finances, like a merchant willing at all times to have it in his power to compare his undertakings with his means, his plans with his resources. No other step could be taken at first. I have no kind of connexion with Mr. *Necker*, neither direct nor indirect;

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nor am I bound to him by the ties of friendship, interest, or gratitude ; and, besides, it is not my intention either to praise, or to censure ; yet I cannot forbear to observe, that Mr. *Necker*, entirely circumscribed by the circumstances of the time, charged with the triple load of clearing up what was passed, supplying present wants, and guarding against future events, could only loosely survey, regret, and prepare, what a situation so critical did not permit him to undertake. His being displaced, left him no other advantage than that of informing the public of what he intended to do ; and the manner in which the nation has received the work wherein he recorded his projects, is at the same time a tribute of the national esteem for the man who planned them, and a pledge of the national gratitude, even for any one of his successors, who should confine himself to carry them into execution.

Whatever I have hitherto said, whatever may drop from my pen in the sequel, in contradiction to some of Mr. *Necker's* opinions, was written long before the publication of his work, and in no degree detracts from the solidity of his views. What he devised was perhaps the best that could possibly be imagined in the actual state of things, and according to the received

system:—But is that system the best?—I subscribe to his principle concerning the precautions to be taken, and the slowness of the march necessary even through all the paths that may lead to *the best*; but that best, what is it? *France* cannot boast of having found it—read the work of Mr. *Necker*; *England* cannot boast of having found it—read the debates of both Houses of Parliament:—And do I dare to offer my thoughts!—Yes:—two children, it is said, found what it was necessary to find, in order to the discovery of immense bodies of light, at a distance where nothing was suspected but the limits of creation.—Were my thoughts only plausible, they ought to be thoroughly investigated; they concern the State, they concern mankind at large:—if they prove just, to say that they are impracticable on account of the shackles with which our forefathers have loaded us, is to say nothing but with regard to the fleeting moment in which I speak, *already so far off from us*; but to feel then that we should not add new shackles to those we endure already, would be a great point gained; to scrutinise afterwards the ancient opinions, without exception; to analyse the principles on which pretended impossibilities are founded; to expect nothing from seduction or from authority; to desire nothing but from general conviction;

viction; to spare no pains to make the people sensible of, and familiar with the truths that might be discovered, would perhaps be a second step towards that very mark to which we should probably direct our course, were it not for the pretended impossibility, the mere supposition of which casts a ridicule upon the very thought of looking up to it.

It is upon this plan, and under this point of view, that I purpose to examine the supposed balance of *France*, in regard to trade:—and I begin by asking, whether there exists a nation in *Europe*, which, upon perusing what Mr. *Necker* says to the present purpose, and the use made almost generally in *England* of the work of Sir *Charles Whitworth*, much more explicit with regard to the balance of *Great Britain*, would hesitate an instant to break off all commercial connexions with *England* and *France*, if only one half should prove real in the prejudices of the two nations, on the object which at present seems to determine all the others?

I would, in the next place, propose, for examination, whether those two nations are not indebted to these prejudices, for the greatest part of their mistakes, and of the obstacles which they

have found, which they still find, and which they will ever find, in the measures that other nations think themselves obliged to adopt, in order to guard against the effects of those prejudices, till their fallacy is universally acknowledged, as well as their insufficiency to produce their boasted effect, *even in favour of those who would obstinately refuse to give them up.*

Every year, say the prejudices of both nations, more than seven millions sterling are required for their two *terrible* balances;—but not above six millions are brought over from *America*:—if *Spain* and *Portugal* be allowed to come in for one sixth (indeed it would be but just), the other parts of *Europe* must settle it amongst themselves to find the two millions sterling, which without that assessment would be deficient in the balances necessary to *France* and *England*.—Whence does *Europe* take those two millions? Whence have they been taken hitherto? I know not: but it is a stubborn fact: you may consult the work of Mr. *Necker* for the balance of *France*, and for that of *England* the statements of Sir *Charles Whitworth*; the former amounts annually to 70 millions of *livres*, about 3 millions sterling; and the latter to 83,678,818*l.* in the space of 20 years, from 1754 to 1773; it is, one year with

with another, more than 4,180,000*l.* per annum. But above all, let it not escape your observation, what is said in *France*, that the decline of that Empire will begin, when this balance of 70 millions of *livres* shall begin to decline, and that it is the opinion in *England*, that, were the favourable balance to be below 2 or 3 millions sterling, a national bankruptcy must indispensably follow. What is most *miraculous* (and indeed consolatory for those who are obliged to think of their elevation, before they dream of a bankruptcy, or even of their decline) is, that whilst *France* and *England* have received annually, the one 4, the other 3 millions sterling, that is to say, one sixth more than *America* has to share amongst all the *European* nations, the other countries in *Europe* have nevertheless increased their mass of money, by all that was necessary to keep up their luxury, and the circulation of a revenue which has almost doubled in the course of a century. These are prodigies which will cease to be so, even if we admit the facts on which they are founded, if we take the trouble of adding thereto a few other facts rather less questionable; and if it be acknowledged at last, that there are yet others, concerning which the most expert calculator cannot flatter himself that he shall even come near the truth, and which give  
to

to those who will be at the trouble of reflecting, all the latitude they may want, to conclude that the two supposed balances are as inadmissible when subjected to the discussion of reason alone, as they are afterwards demonstrated to be false, by facts which cannot be controverted.

The quantity of money required for circulation, depends neither on the speculations of a Minister of finances, nor on the blind cupidity of trade, which, luckily, is always counteracted by the clear-sighted cupidity of every trader: it depends on the quantity of articles to be circulated, on their price, and on the method adopted for circulation:—it is evident that less cash is required in *England* than in *France* to circulate the same mass of revenue, trade, and transactions of all kinds; the reasons are obvious: but the sum wanted for the circulation being once found, every addition thereto is soon, notwithstanding all ministerial machinations, transferred to some hundred leagues distance, if that surplus should be wanted there: now, when this necessary sum for circulation is once ascertained, we shall see how useless it is to despoil, how absurd it is to suppose that they do despoil the rest of *Europe* of her money, in order to keep up that circulation.

What

What is the real amount of the cash circulating in *England*? Some say 25, others 30 millions sterling. It is probable that 25 millions are sufficient, with the help of credit and paper-currency, even in the supposition that *France* should stand in want of 2 *milliards of livres* in hard cash to give circulation to a revenue, double to that of *England*, because there is in *France* no paper-money, and much less credit than would be obtained, were it not, *too often yet*, so easy to avoid, by another kind of credit, the payment of the most lawful debts: but we must argue from an incontrovertible fact, and assent, in their fullest scope, to the consequences that may be deduced therefrom. The following is the fact:

Of all the coin circulating in *England*, 18 months ago there was only a sixth, and there is now much less than a sixth part, in pieces struck before the present reign. Now, in 1780, it appears that the money coined at the Mint, in the present reign, amounted only to 30,457,805*l*.

It is impossible to suppose, that in the space of 18 years there should have been carried out of the kingdom, either to *Ireland*, or in support of the smuggling trade, or for other purposes, less than

than the amount of the coin struck since that period. Let us add to the 30 millions coined from the beginning of this reign down to the year 1780, the 5 millions for the sixth part in old specie remaining of the former reigns (that sixth supposed, rather than acknowledged, to be actually in circulation), the total will be 35 millions; to which must be added, the value of silver plate, toys, &c. Admit, that all these articles together, circulation and silver wrought, amount to 50 millions sterling;—to those who may think that the sum of 15 millions, at which I rate the wrought silver of all kinds, is too trifling, I would recommend to observe, first, that these 15 millions constitute nearly the tenth part of the general revenue, both of the land and industry; secondly, that the third part of that revenue belongs to the peasants and mechanics, who have no such costly furniture; and thirdly, that as to the rest of the nation, if there exist a man who possesses the equivalent of one half of his revenue in plate, there are scores who are not possessed of so much as one tenth part.—Shall it be insisted upon, however, that, by adding the amount of plate and the mass in circulation to that which *must* correspond with the demands that may be made upon the Bank, the whole amounts to 60 millions sterling?—Be it so;—

but

but *England* was certainly in possession of 20 millions at least, in cash and wrought silver, before the time at which Sir *Charles Whitworth* began his Statements; for there existed then much less credit, and no paper to answer the purposes of cash:—forty millions, then, constitute the whole of what *England* chose (I call it strictly a choice) to reserve, out of so many millions imported from *America*, which really went through her hands, in the space of 90 years.—I am fully persuaded that I could meet with some thousands of persons, even in *England*, who, from the sketch I have given, would think that I make a present to *England* of 10 millions. It matters not, I shall be equally generous in regard to *France*, whose accounts I am about to lay open; and yet I shall have gold and silver enough left to extend my liberality all over *Europe*.

Mr. *Necker* has but two reasons to suppose that there exists in the *French* circulation a sum of 2,200,000,000 livres *tournois*. The first is the indubitable fact, that since, and including the general re-coining of the *French* specie in 1726 to 1783, there have been struck, in the different mints of that kingdom, 2,500,000,000 of the same specie (the only one that is current in that country:)

country :) and, in the next place, the very questionable fact, that *France* has preserved the whole, except 3 or 400 millions *tournois*, which may have passed into foreign hands, from the quantity of *French* specie which must have been carried abroad, to answer her commercial and political purposes.

Say only 2000 millions of livres in the *French* circulation, that I may not be troubled with 100 millions, which can neither weaken nor strengthen my reasonings.

When that general re-coinage of the year 1726 took place in *France*, there must have existed, at that time, 1000 millions *tournois*, to impart a proper circulation to a revenue, which, we may suppose, was less by one half than what it is at this time. *France*, therefore, had occasion to increase her specie, only by the additional thousand of millions, of which she is now in possession, even upon a supposition that she has now 2000 millions; and this want has been supplied in the space of 57 years, at the rate of 18 millions only, one year with another.

Let it be granted, now, that the annual wants, the personal wants of *France*, in articles of luxury, plate,

plate, gold and silver lace, trinkets, &c. amounted to 7 millions *tournois*, upon an average, in the course of the above 57 years.—By adding thereto the 18 millions I have spoken of, I can find but 25 millions overplus, one year with another, saved by *France* upon all the treasures of *America*, which certainly must have passed through her hands from 1726 to 1783.

The reader must be sensible, that there is no occasion to speak of the sums annually exported to *India*, it matters not by whom; they no longer exist for *Europe*; and I have proved nothing hitherto, if it be still doubted that *Europe* has lost nothing in that respect but the trifling advance in her prices, which 100 or 150 thousand pounds sterling, added annually to her general specie, would have given to all the productions, both of agriculture and industry. The return of those 150,000*l.* in *India* goods has produced yearly to *Europe* all the labour necessary to repay them; for it must be observed, that *labour pays every thing*, and that nothing is paid but by *labour*. The 150,000*l.* exported to *India*, are not lost therefore, as to their essential effect, as would be the case of sums laid up in the coffers of a Sovereign, who might be unacquainted, even at this day, with what was known to Queen *Elizabeth* above

200 years ago, that the Prince's treasures are well placed no where, but in the hands of his subjects, that is, of such amongst his subjects who do not lock them up in their own chests.

I join together the two balances of *France* and *England*, which probably fall much below, and which cannot be above, what I have stated them to be; and I see that those two formidable bugbears, after having annually devoured, according to their own account, 7 millions sterling, have, in the end, and very fortunately too, only digested something less than 2 millions, viz. the bugbear of *France*, 12 or 1300 thousand pounds sterling; and the bugbear of *England*, about 5, 6, or 700 thousand.

Thank Heaven then, there remains, after *England* and *France* have been fully saturated, (including the general exportation to *India*) about 4 millions sterling, which the other States of *Europe* have received, one year with another, partly in plate, partly in gold and silver-lace, partly in ingots, partly in guineas, and partly in louis-d'ors, of which those who gave them still think themselves in possession, and which those who received them do not think they possess.

But,

But, it will be said, the louis d'ors, which are spent in *Germany* during a war, revert to *France* soon after a peace; the plenty in which they flow back, is known to every one who has the least concern in trade.—No doubt of it; when the *German* circulation is overloaded, it must re-flow where it is beneath its level: the coin carried by the *French* into *Germany*, in the time of war, was then indispensable there to supply the wants of those who carried the money into that country, and to increase the means of the ordinary circulation, *an increase occasioned by a circumstance that tertiated the price of every thing.* The circumstance subsiding, every thing takes its usual course; prices are reduced; the greatest part of the money which had been carried there, becomes useless on account of that reduction:—it is sent back; and why is it taken then by *France*? Because it is become necessary there;—for you must observe, that the money in question was useless in *France*, as soon as it was wanted in *Germany*.—During the war the commerce of *France* was at a stand; her granaries overstocked with corn, her cellars with wine, her warehouses with goods, waited only for peace, to set a value on that corn, that wine, those goods, and of course, on that idol Money, which, during the war, could not, in regard to the *French*, be of any

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value,

value, but on the very spot where the *French* had themselves carried it.

Observe, above all, that *England*, who pretends to have the largest balance in money, is the very nation who, with respect to the extensiveness of her commerce and the mass of her industry, keeps the least part of that balance at home, and constantly preserves as little of it, as if she had been no less convinced than I am myself, of the futility of any other balance in bullion, but that which is necessary for the five articles above mentioned. What results now from the reduction of those two frightful *colossi* to their proper dimensions?

It results, First, that every system of balance, founded on the supposition which served as a basis to the two balances I have spoken of, is as chimerical, as it would be pernicious to the nation who should regulate herself by it, and to such other nations as might be unfortunate enough to correspond with her:

Secondly, That the private interest of every merchant always militates, in this respect, against the pernicious dreams of trade in general:

Thirdly,

Thirdly, That the case between nation and nation trading together, is similar to that which subsists between citizen and citizen; as there is but one way for a man to prevent the last penny of his wealth from being useful to some other member of his community; and that way is, *to bury under ground (as soon as he has received it) that last penny, the utility of which he grudges to share with other men*: in like manner, a nation can no otherwise prevent the surplus of her money being carried into another country when this latter is in want of it, than *by burying her balance as soon as she has received it*:

Fourthly, That the superiority of industry, activity, and *capitals*, in a nation, gives her no other advantage, than that of supplying those countries with which she trades, with further means of increasing their own industry and activity: Now,

Fifthly, The more you increase industry and activity amongst other nations, the more you increase their want of those signs which are to represent the products; the more you increase their want of those signs which you long to possess exclusively, if it were possible: Therefore,

Sixthly, If it be true, that money ought to be the only aim of commerce and exportation, all

the favourite ideas on the pretended balance, being entirely destroyed by facts, even at the time when the world was more fully persuaded of the truth of those ideas, and of the wisdom of the measures which were to have perpetuated that balance, it would be necessary henceforth to resolve to hide money under ground, as fast as it comes in. — Would it not be better to question the principle itself, and seek for fresh information on the utility as well as the object of exportation?

*Exportations and Importations considered as a Game. Such a Game is as rational as any other, to whosoever will content himself with playing at Cards, or with his own Thoughts.*

A WORLD of unanswerable arguments start up at once, tending to demonstrate the superiority of civilization over the wild state of nature. Yet, methinks, a savage may overturn them all by these few words: *I know nothing of what you say, and I am not inquisitive.*—I readily confess at least, that I do not see what reply can be made to such an answer, more than I did with regard to the four questions put in the Upper House to the manufacturer of whom I have spoken; yet this manufacturer was not stronger in argument on all that was foreign to the essential point of the four questions,

questions, than I might be to convince my savage of that delight, which a man fully persuaded of the excellence of his own conceits, and of the happiness there is in making them known to all the world, feels, without allay, without interruption, in staining some reams of paper, scribbling sometimes an hypothesis, sometimes a comedy, a romance, a ballad, &c.; for it is very true, that the work I now lay before the public, has, in the space of 12 or 15 years, undergone all those metamorphoses in my hands, and that during that time my heart rankled with the ambition of being read in antichambers, given for premiums in colleges, tolerated in nunneries, mentioned in the *boudoirs* of the fair, noticed in the memory of Ministers, revolved in the hearts of Sovereigns, and every day sung about the streets and in cottages, through which all princes must sometimes pass, if they wish to discover some decisive difference between the interesting illusions of humanity and the deep speculations of politics. Yet with all that stock of words, if not of reasons, that I must have acquired beforehand, to justify, in some measure, the extravagance of such an ambition, I own that I should be confounded by the answer of my savage.— But this could not be the case, if a civilised man, after having convinced me, that the advantage

of commerce between man and man, as well as between nation and nation, consists in supplying each other's wants, when it is possible to effect it by an exchange of surplusses, would next undertake to prove to me, that the advantage of a State, which is nothing else but a nation, an aggregation of men, consists in keeping as much as possible of that money which they have in too great abundance, though the inevitable consequence would be, that they would procure to themselves so much less of some article in which they might be deficient, but which it would at the same time be very convenient to them to possess.—It is hard that the compendium of prohibitions, restrictions, &c. so much commended, and which have kept so many great men so long on the watch, dwindles finally into the assertion of the two contradictory propositions which I have just now stated.

Two articles are necessary and sufficient to man—bread and water; let not meat be called in as a third; it is too well known, that three fourths of *Europe* seldom eat any, and doubtless no one will contend that three fourths of a whole are less valuable than the fourth remaining, in the eyes of Him who created that whole, and who probably takes some concern in its preservation. Exchanges of any other articles besides

besides bread and water, are therefore, strictly speaking, *exchanges of mere superfluities*. Now, what inconvenience can there be in bartering one superfluity against another?

I shall first of all, display in their full force, the most solid reasonings, that can possibly be adduced, in order to demonstrate, that *the choice and price of all superfluities must be left to the discretion of one set of men only*. The chymist is not to blame if he can extract nothing but a fetid oil from the matter which he undertakes to decompose.

That set of men, as estimable, as worthy as any in the world, will perhaps wonder when they see the analysis of those ideas, which, probably, they never submitted but to a superficial examination.

*Prohibitory Laws against Exportation.*

*Query.* WHY do you solicit a prohibitory law against the exporting of such an article of national product?

*Answer.* That I may get it *cheaper*.

*Q.* Can you buy it *cheaper*, without wronging the man who might sell it *dearer*?

*A.* No.

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*Q.* As

Q. As it is impossible to prove that such a conduct is equitable, how will you be able to prove it to be advantageous to the State?

A. It is advantageous to the State, that all its internal productions should receive at home, all such forms and preparations as may increase their value.

Q. Is the quantity of productions useful to the State?

A. The question is almost ridiculous.

Q. If the *producer* be discouraged by the low price set upon his productions, and take proper measures to produce *less*, in order to save the expence attending a *greater* production, and in the mean time to gain by producing *less* as much as he could gain by producing *more*, will you not then be guilty of having wronged the State of all the productions which you crush in the very bud, by the prohibition you sue for?

A. No; Smuggling will give to the parties injured by the prohibitory law, a fully sufficient means of extricating themselves.

Q. Your hopes then are, that Smuggling will make up for the injuries you propose to do to the *producers*; but how will you compensate to the State

State for the loss it sustains by a clandestine exportation?

*A.* Our only business is to mind our own interest; besides, the State may easily procure, by means of a land-tax, what it may lose by the clandestine exportation: and we are so far from expecting that Smuggling should turn out to our advantage, that we petition it may be made a capital offence, and prohibited under pain of mutilation, the galleys, or at least the entire ruin of the smuggler.

*Q.* But the law will either succeed, or fail in its effect. If the law succeed, will you not be the author of that diminution of the products, which the low price you intend to set upon those products must unavoidably occasion? And if the law fail in its effect, do you not uselessly deprive the State, 1st, of the produce of the smuggler's labour, whom you hope to see hanged, or at best, mutilated; and, 2dly, of the produce of that labour which would have been performed by that army, partly composed of rogues, partly of idle fellows, now to be set upon the watch to detect and apprehend the smuggler, keep him in close confinement, and lead him finally to the gallows, or to the galleys?—Who is to pay those rogues and idle fellows?

*A.* The State, to be sure.

*Q.* What

Q. What are the essential parts of the State?

A. Industry that goes in search of money, and Agriculture in as much as she feeds Industry at the cheapest rate.

Agriculture, impoverished by your prohibitory law, will then lose, not only what she should get by being at liberty to export, but also what she must find to assist you in procuring her impoverishment, by paying the land-tax necessary to pay those very rogues and idle fellows, whose business it is to destroy her only remaining resource against your cupidity—  
SMUGGLING.

*Prohibitory Laws against, or excessive Duties imposed upon Importation.*

Q. Why do you petition against the liberty of importing such or such another article?

A. Because we manufacture it, and wish to sell it dearer to the national consumers.

Q. Of how many orders of men is the class of national consumers composed?

A. Of

*A.* Of two, the land proprietor, and all persons not wholly destitute of money.

*Q.* That is to say, *in all cases*, of the whole kingdom, against the small number of individuals who humbly petition for the prohibition of an article ;—be it so. Have you devised any means to increase in the consumer the ability of purchasing, whilst you advance the price of your goods ?

*A.* Not we ;—on the contrary, it is our intention to have as much as we can of his commodities and money, for as little of our goods as possible.

*Q.* How can men of probity and knowledge be blind to the iniquity of such a scheme ?—Will not at least its execution be somewhat impeded by the greatest part of those who follow the same trade ?

*A.* No—that is impossible: our *corporations* have already provided against the inconvenience you allude to: not one of their members would dare to sell his merchandise below the price fixed by his *corporation*: and we have made, as it were, the *impossibility* of any such measure, doubly so, by the difficulties we have devised to prevent

prevent a ready admittance into our *corporations*; all our bye-laws tend to reduce our associates to the smallest number possible. But one single expedient is now wanted to put the finishing hand to that grand work; it is the absolute prohibition of importing all those commodities which foreign nations might offer at a cheaper rate, than we are determined to sell them at.

Q. So then, if you succeed in your plan—if by means of the solicited prohibition, the legislature enable you to extort, with your 16 in merchandise, the goods and money, which, in the case of a foreign competition, you could not have procured with less than 20, what do you intend to do with the remaining part of what you shall have extorted?

A. We shall send it abroad.

Q. With what view?

A. Of increasing the balance in money.

Q. Have you hitherto acted consistently with that idea?

A. We have—and it is known to all the world that it is the dearest idea of an *Englishman*—an idea which the nation holds (if properly attended to)

20) as the only bulwark against a national bankruptcy.

Q. What have you got by that idea, if it be probable that there is not above 25 or 30 millions in specie within the kingdom, and if it be proved evidently that it is impossible you should have more than 35?

A. The reason is, no doubt, that foreign importation has been too freely permitted; a criminal, a traiterous indulgence which we are incessantly at work to remove: and it is on that account, that besides the absolute prohibition we now pray for in regard to such and such articles, we also petition that the duties be laid double and treble on all other foreign articles which are not yet totally prohibited.

Q. Do you not fear that foreigners, whose merchandise you would cause to be prohibited, should play the same trick with yours? Do you not fear that those on whose goods you mean to increase the duties, should in their turn overload those which they will receive from you?—For this is all the conjuration requisite to counteract and balance the effect of those sublime regulations which you petition for.

A. We

*A.* We shall carry on a smuggling trade in their country, and they will pay dearer for our goods; they cannot do without them. ①

②. They will, no doubt, follow your example: therefore new recruits will be wanted for that army of rogues and idlers, designed to lay hold of, and ruin whoever should dare to oppose your ransoming the owners of lands, and proprietors of some money; but be it so:—you will besides be equally successful in obliging the poor ransomed individuals, to pay for the additional and necessary reinforcement of your standing army of rogues and idlers, and for those light troops of informers so well fitted for the noble purpose you are carrying on;—be it so again.—But, after all, what are you to do with that immense balance in money?—Shall you bury it under ground?

*A.* Aye—and with all our hearts and souls, if, when thus buried, it could bring to us the same benefit as when it is rendered useful to some one else; but alas! that secret is not yet found out: it might be possible, however, to pray for an Act of Parliament, compelling the nation to pay the interest of all the sums thus interred by us; and the wisdom of such an Act would be the more conspicuous, as it would keep within the reach,

reach, under the very hand of the nation, all the money she might have occasion for, whenever she should think it expedient to declare war against *France, our natural enemy*. Till such an Act is framed, we shall follow the example of *Holland*; we shall keep on the carrying trade, by which the *Dutch* have gained so much money notwithstanding our Navigation Act, which we fondly hoped was calculated to effect their ruin: we shall carry from *Russia* to *Sicily*, from *Constantinople* to *Poland*, from *Stockholm* to *Cadix*, from *Lisbon* to *Venice*, whatever may be carried from one place to the other, and this we shall do at the lowest prices, in order to get the preference of the *Dutch*. It is a great pity that this cannot be effected without benefiting the land-owners, and the proprietors of some money, in all the countries where we may stand in competition for that carrying trade, not only with the *Dutch*, but with all the national monopolists who shall not have as yet been dexterous enough to force from their legislature, laws as *favourable to commerce* as those we have obtained; but in fact, what matters it to us whom we serve, provided we get a good profit from the service?

Q. Will you add further: *And provided also that the service done, falls not on the land-owner, or on the*

*the proprietor of some money within your nation ?—*  
Yet thus far would you finally be led by that system of prohibitions and restrictions, almost equally extravagant, to which you are so devoutly attached.—But such a plan can succeed only to a certain degree : be pleased to observe, that hitherto you can boast of no other advantage but that of the first attack.—Sole and absolute arbiters as you are of your own prices by the monopoly you have obtained, if agriculture had not advanced those of her products in the same proportion, would not your land-owners be compelled to seek abroad for a country where monopoly should not be so obligingly countenanced ? For you do not, I presume, flatter yourselves that you shall be able to induce your Parliament, in the age we live in, doubly to tax the property of those who might look abroad for a remedy against your extortions : —the many laws of that kind consigned to your annals, (and which you would not fail to quote as a precedent,) must seek in the ignorance and barbarity of the age that gave them birth, an apology for their establishment ; but at this present time !—Such shades in the picture of the Land of Liberty, instead of setting off the beauties of its other parts, would annihilate the very idea of that liberty. *It is by justice and freedom that we are attracted and retained ; it is by injustice and*  
*restraint*

*restraint that we are expelled, and kept at a distance.* Be pleased then, in fine, to observe that nothing can result from those plans, the iniquity of which you have no more searched into than you have thoroughly examined their consequences,—from those prohibitions and restrictions, the effects of which must be counterbalanced by contradictory regulations,—except the pitiful advantage of having perverted the nature of the prices on every article. *What is necessary to counteract the effect of an injury done to the generality, will always mechanically be brought about by that very generality.* Would it not be more advantageous for men, to agree amongst themselves, like intelligent beings, on some plans accounted equitable by all,—on plans the analysis of which the projector might bear without a blush?—Were a few points agreed upon, it would not perhaps be difficult to settle all the others.

Let the dead bodies be wrapped up in woollen instead of linen cloth; linen coming from abroad, wool being a staple commodity, and the dead caring little whether their winding-sheet be made of woollen or linen: it is a point of economy which it would be rather too severe to condemn, although it is probable enough that in the North they would exchange with pleasure,

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for

for your *buried woollen*, linen cloth in sufficient quantity to wrap up your dead ; a circumstance which might prove very beneficial to some of the living, both in *England* and *Silesia*. But will you attempt to persuade, that it is advantageous to the State, under any aspect, to compel a man who calls himself free, to wear manufactured buttons, when his inclination would lead him to have them made of remnants of stuff ? Will you attempt to persuade, that it is advantageous to the State, to make him pay a penalty of 3 or 4 pounds, besides cost, if he is surpris'd *flagrante delicto* ? Will you attempt to persuade, that it is advantageous to the State, to encourage the infamous trade of informing, by a reward in favour of an informer, against a man guilty of *such a crime* ? Will you attempt to persuade, that it is advantageous to the State, to withdraw from their useful occupations a swarm of fellows, *become capable of any dirty work*, by having turned informers on account of the stipulated recompense, and who, waiting for an opportunity of doing worse, leave their work-shops as soon as such a law is passed, in search of a prey the seizure of which will enable them to live in riot and intoxication for a whole week together, without being obliged to return to their work ? This is not all ; for, in fine, if all the branches of industry

dusttry have the same right to the protection of Government, does not a law, the immediate effect of which is to enhance the price of buttons by occasioning a greater demand for that article, destroy all idea of that protection equally due to the other branches of industry, by infallibly depriving some of them, both of the amount of the cash they might have received from those who will now be forced, against their inclination, to purchase manufactured buttons, and of the amount of cash which the advanced price of manufactured buttons, will unjustly wrest from those who, by the effect of the law, are obliged to pay dearer for what they might have procured at a cheaper rate? Would not the least facility granted for the importation of some foreign merchandise, have occasioned abroad a greater consumption, either of buttons, or of some other *English* goods, than such a law can procure at home in the manufactory unjustly favoured? But, above all, will you attempt to persuade, that it is advantageous for the State, to acquire a thousand more button-makers, when that acquisition is obtained by the loss of a thousand artificers employed in manufacturing some other articles, the consumption of which would have been *free*, that is, analogous to the situation of those who boast of their being so?

Let us seek for such points, as it may be possible to agree upon.

The State is composed of three orders of men, all equally precious, and whose rights are equally sacred; viz. the landed *capitalist*, the *capitalist* of industry, and the proprietor of money, whether he be considered as a *capitalist* in this last respect, or only as a dependent on either of the two former *capitalists*. Each of these three orders has its interest.

First, It is the highest interest of the landed *capitalist*, that there be the greatest plenty and variety of the best products of industry, and the greatest consumption of the productions of the earth.

Secondly, It is the highest interest of the *capitalist* of industry, that there be the greatest plenty and variety of the best productions of the earth, and the greatest consumption of the products of industry.

Thirdly, It is the highest interest of the money proprietor, that there be the largest quantity and variety of the best products both of industry and agriculture, in order that he may be able

to

to support the value of his capital by the quantity of objects on which he will have it in his power to lay it out, and the value of his interest by the greatest possible consumption, not at the lowest price, which, supposed lasting, is as chimerical as the pretended balance, *constantly favourable*, but at the most equitable rate, that is to say, the highest the seller can hope for, and the lowest to which the purchaser can pretend.

But if it be true, that the combined interest of the three orders be centered within the three points I have stated, namely, the greatest possible quantity and variety of the best productions of the earth, the greatest quantity and variety of the best products of industry, and the greatest as well as most unconfined consumption of both at an equitable price; it is equally true, that it must be a matter of perfect indifference to agriculture, in what part of the world, and by whom her productions are consumed, provided they be paid to her in any products whatever, at her option equivalent to those she has parted with. It is no less true, that it is a matter of perfect indifference to industry, in what part of the world, and by whom, her products are consumed, provided she be paid for them in any products whatever, at her option, equivalent

to those she gives. It is equally true, that the money-proprietor must view, with the same indifference, his property giving life to this or that branch of industry or agriculture, provided, that in the hour of need or fancy, he finds at hand, on the most equitable terms, the greatest quantity and variety of the best products of agriculture and industry, which the interest of his money, or the amount of the salaries he enjoys, gives him A RIGHT to expect.

There remains, it is true, a fourth interest, that of the *Fisc*, or public revenue; but if this revenue be nothing more than the produce of the taxes, this fourth interest consists of course, as the three former, in the largest quantity of products, and the greatest consumption. Now are there any other means to obtain those two objects, besides the freest and most extensive exchange, not of goods for money, but of goods for goods? Is it not perceivable, that all the four interests united, as well as each of them separately, require that no more be imported in bullion or money than the quantity necessary to facilitate those exchanges? Is not a surplus of money not only useless, but even detrimental, in diminishing our enjoyments, our possible profits, and *that consumption which produces the public revenue?*

The

The Navigation Act was, if you will have it so, the last effort of the human mind, at a time when every notion relative to commerce, was nearly confined to *England* alone; but I question much whether the *Opposition* the most warm in invoking that tutelary God, against the Minister who dares to offer the least encroachment upon its worship, would not be very much pleased to see it destroyed before they themselves should come into office: it is an old idol, to which incense is offered through mere policy, and for which a veneration is kept up in the minds of the people, for the sole purpose of making it subservient to the downfall of the man who might be courageous enough to attempt its destruction. I shall pass over in silence the obstacles which that famous Act daily opposes to regulations as well adapted to the present state of things, as those it contains were to the circumstances that gave it birth; but, to the intoxication produced by its success, I shall be bold enough to impute one of the most mistaken notions on the true aim of national commerce: it is a very fatal error, to imagine that money ought to be the *object* of those operations of which it is only the *means*. This chimera, it is true, has never been realised; the wisdom of private cupidities has always triumphed over the folly of general cupi-

dity : nothing more clear than the exactness with which the treasures of *America* have been shared amongst all the nations of *Europe*, each in proportion to her agriculture and her industry, that is, according to her wants : at least it appears to me, that the two balances of *England* and *France*, which I have produced, are incontrovertible proofs of what I here advance, though they have been imagined and received as proofs of the very contrary ; nevertheless, the prejudice concerning these two *formidable balances* still subsists, and it is this prejudice which daily gives life to new prohibitions, and new restrictions : there is not perhaps in all *Europe*, a single modern regulation of that kind which does not owe its establishment to this prejudice, and to the power it derives from the veneration paid to it in the place where it was first conceived. The nation who takes the lead in point of commercial knowledge, is every where carefully watched. On the least of her operations, other nations make use of the light she has held forth ; her principles are studied, her maxims adopted, her examples followed ; every where they are on their guard against her pretensions, pretensions openly avowed, prosecuted without mystery, and crowned, as it is supposed, with success ; and when they see, that within the  
course

course of a twelvemonth, she has really received more gold and silver than she was wont to receive in three years; when they see the intoxication of her inhabitants on the arrival of those treasures which obey her call from all parts of *Europe*; when they hear the complaints of her news-paper writers against the untractableness of the *Americans*, in not suffering themselves to be entirely stripped of their specie; when they attend to her invectives on the combinations of the *American* merchants to prevent those of *England* from taking away that trifling sum in specie which the *United States* want, to give more consistency to their paper-money; — *then*, indeed, *then* it is possible to forget every thing else; it is possible not to remark, that, with the same excess of avowed cupidity, *England*, nevertheless, has not received, in the course of a whole century, (*a period sufficient to determine an experiment*) *England*, I say, during a whole century, has disdained to receive her dividend of the treasures imported into *Europe*; the paper-money circulating in *England* stands evidently in lieu of a great part of the sum it represents, *and which it was at her own option to procure*. It is also very pardonable not to reflect *then*, that it is impossible for *England* to keep long in her hands without hurting herself, more than any other nation,

tion, any money above what is necessary for her. No one takes the trouble of arguing long on causes, when the effect is instantaneously and powerfully felt: *Not Europe alone, but the United States of America, are stript of their money by England; England therefore wants not any longer to import foreign goods, or when she advances the price of her own merchandise, she refuses paying dearer for that of other nations.* The other nations do not hesitate—*English* goods are instantly prohibited.

The following principles are such as, I think, can never mislead.

There is not a single nation that cannot boast some palpable advantage over another; nay, there is not a nation, a single province, that has not received some peculiar favour from nature, which the same soil to all appearance, the same temperature, the same exposure, refuse to yield any where else but *with double the labour, and double the expence*, and which, even with such additional aids, they yield at last only in a state of degradation. Now, that portion of such peculiar favours, which the proprietor of the land does not chuse to consume, belongs only to the greatest quantity of other favours that it is possible to procure in exchange. The more the proprietor

proprietor procures of such other favours in exchange, the more is he encouraged to increase the quantity of articles which have enabled him to procure those favours; on the contrary, the more he is restrained with regard to those exchanges which he might procure, the more he is circumscribed, even in his means of production. Every restriction therefore tending to diminish either the production or the price of any article whatever, is a theft committed upon the proprietor of the land, upon the province blessed with that favour which is peculiar to it, upon the nation whose general revenue is decreased by the whole amount of the productions stifled in the very bud, upon the exchequer of that nation which would receive a duty on those productions; and finally upon every one capable of presenting the nation with another exchangeable commodity, or waiting only to see those productions, in order to create an equivalent to pay for them.—Does it signify in what part of the world? Must it not, at last, reach the original proprietor, if he be not paid?

What is said of the productions of agriculture, may be applied to those of industry. It is a gross mistake to imagine, that all things can be equally well manufactured every where: how many fabrics, the perfection of which depends

on

on the quality of the water, and other local causes for which it is impossible to account! How many more derive their perfection from the bent of national genius, from the general dispositions, the natural qualities of the inhabitants! Can we expect from the vivacity of the *Frenchman*, who desires only to consume, what we may expect from the patience of the *Englishman*, who labours only to enjoy? This latter will always, and in spite of himself, give to his work a solidity which will increase its price as well as its value; the other, in spite of himself, will be busy about the forms best calculated to procure a quick sale: objects of real comfort will always belong to the former, the latter will ever lead the fashions. To hope that the one will produce, without difficulty, what costs little or nothing to the other, would be attempting to give to the wines of hot countries the pleasing acidity proper to the wines of *Germany*; to these, the restorative and balsamic qualities of the *Spanish* and *Italian* wines in the places where they understand how to make them; to the wines of *Italy* and *Germany*, that native generosity proper to the wine of *Bordeaux*; to all of them, the flavour of *Burgundy* and the sprightliness of *Champaign*. It is possible, say they, to imitate every thing;—say rather, to adulterate, to corrupt, nay even to poison

poison every thing, if Art can find no other way to counterfeit Nature : *and these are the blessed effects of restrictions and prohibitions.* It is a strange idea, to think of doing without others ; as if that did not lead them to think of doing without us ; as if the savage, of whom I have spoken, had not the same reason to prefer his state to that of civilisation.

Nor would it be less strange to persist in setting the interest of the people in opposition to that of the Exchequer, if it were possible to reconcile them together, *instead of rendering, almost on every object at present, the infamous trade of informers more lucrative than labour.*

Smuggling is hurtful to the State ; it deprives government of the duties on the articles smuggled into or out of the kingdom ; but is it so very advantageous to succeed in the measures adopted to prevent it, if by bartering a great number of honest smugglers against a great number of informers and a great number of custom-house imps, you make so many thieves of the first, so many much more contemptible wretches of the second, a rabble almost equally vile as the third ; and succeed, at the same time, in debasing in the hands of several manufacturers and landed  
pro-

proprietors, the value of all those articles, which were before taken from them by the smugglers to their mutual benefit?

*England*, it is true, suffered no damage, when a prodigious quantity of *English* goods, which are not comprehended in the *modest* balance with *France*, as stated by Sir *Charles Whitworth*, because they were introduced into *France* by smugglers, were sold nevertheless, without much ado, all over that kingdom, and particularly in *Paris*, publicly advertised on the shop-boards, in large gold letters;—but had not *France* some reason to think herself ill used, when an equal quantity of *French* goods, introduced also by smugglers into *England*, without any information given to Sir *Charles*, ceased to pay the value of the goods smuggled from *England*, and sold publicly all over *France*, and when, instead of a small balance, sometimes given, sometimes received, *France* found herself obliged to remit to *London* an enormous sum in hard cash, for payments which she had hitherto discharged in merchandise?

It is a pitiful policy on the part of *France*, (as remarked very justly in all the *English* papers after the first of *August*, 1785) to deprive herself of a thousand *English* luxuries which she is so fond

fond of, and which she is so able to procure;—but is *English* policy much better, in rejecting thousands of *French* luxuries, which she finds so pleasing, and which she is so able to pay for?

Smuggling is but a very poor corrective, a partial corrective, of the iniquity ever attendant on Monopoly;—a feeble compensation for the restrictions and prohibitions obtained in its favour: Smuggling, duly considered in this light, is but too just; and it is shocking to be obliged to punish so barbarously the unhappy men who gain a living by it. But will not this necessity be removed, together with smuggling itself, at the very moment that to those absurd regulations which encourage that practice, shall be substituted a system of bartering, equally advantageous to the nations which now find a benefit in smuggling?—a system, which would mutually furnish to all parties interested, all the means of introducing and procuring, in the best condition, at the cheapest rate, with the least risk, and with the greatest advantage to the Treasury, every article which before was introduced and procured at a greater risk, almost always dearer, of the worst quality, and to the detriment of the public revenue.

Let

Let me ask whether that mass of prohibitions and restrictions, which *legally* establishes monopoly in *England*, be any thing more than a mass of privileges granted to a chosen few, to the prejudice of the whole community? Were we to look at every particular regulation, and consider it distinctly, is there one which would not find the whole nation against it, *except the humble Petitioners who share in the benefit?* And must it not be very strange to imagine, very absurd to say, and above human power to effect, that a system of regulations, not one of which favours above one man against thousands, should, upon the whole, be serviceable to the State?

Independent of the advantages which would arise from a truly free and judicious system of commerce, viz. 1st, That of procuring what we have not, by means of some article which we have in abundance, and which our neighbours want;—2dly, The bartering of the superfluity of our best articles in one kind, for the superfluity of what is best in a different kind;—3dly, Not to barter what we can make cheaper than others, except for goods which would cost us more were we to manufacture them;—independent, I say, of these three, though

advantages, where would be the inconvenience, though our bartering should be confined merely to the innocent folly of exchanging one toy for another, or one rag for another? The great, the true, the only advantage, of an exchange of property, would not even in this case be lost to mankind; the man who is employed only in marking the game, while two persons are amusing themselves, whole days, in tossing a ball from one to the other in a tennis-court, is nevertheless supported at the expence of the players. And are not the owner of the court, his wife and children, maintained likewise at their cost? If, having considered the Exchequer metaphorically, under the type of the Keeper of the Tennis Court, we afterwards, without a metaphor, consider this Keeper as a poor man who chooses this way of subsistence, do not the players pay this tax (which they impose on themselves) in favour of the poor, with more pleasure, though the tax may be greater, than a certain other tax, which perhaps becomes necessary, only from the difficulties with which we embarrass both the game of passing from one parish to another, and the game of imports and exports, which is as innocent, and more lucrative than that of tennis?

*The nominal Value of the generality of Exports, considered in different Periods, and with respect to its Effect on foreign Correspondence.*

WHEN a manufacturer is compelled, by the general augmentation of prices, arising from taxation, to pay his workmen and materials ten *per cent.* I suppose, dearer than usual, and he exports 1000 hats, upon each of which a draw-back of 6 shillings, I will suppose, is allowed him on exportation, he does not reflect on the difference of 10 *per cent.* diffused through the general run of prices, by the mechanical reaction of the total of the taxes on all that is not taxed; he remembers well the effect of this reaction in the account which he makes out for himself, to know at what rate he must in future sell his hats in foreign markets; he only considers the draw-back, the remittance of the 6 shillings duty, and concludes that it puts him in a situation to deal with foreigners on the same terms as he did previous to the taxes, which have increased every thing to the amount of 10 *per cent.* Nevertheless, the thousand hats, with which, previous to the taxes, he furnished his foreign friends for 1000*l.* I will suppose, are now raised to 1200*l.* — Point out this circumstance

to him, he will tell you he cannot sell his hats cheaper, and that foreigners must pay 1200*l.* instead of 1000*l.* since the foreigner wants them. " Besides, (says he) what is the sum of two hundred pounds more, divided among a thousand persons, who will purchase the hats from the merchant abroad, to whom he sells them?" The manufacturer does not want to look further; and the writer who from the nature of his subject, or his manner of considering it, wants only to reflect a little more, will only add, *Thus it is that foreigners pay our taxes, and never suspect that they do so.* This is the truth, but not the whole truth. I shall endeavour to find it out.

The general trade of *England* with the rest of *Europe* is not confined to some thousands of pounds sterling, to be settled once for all; it is an immense sum, *which must* be renewed every year. Let us begin by being thoroughly convinced of this necessity, in order to submit to its consequences: we shall find moreover that these consequences are not destructive.

The annual exports of *England* amount to about a fifth of the products of her industry, and consequently represent about a fifth of the labour of her artificers.

If the taxes, after the war of 1755, had raised the price of every thing at the rate of 10 *per cent.* (I can err but by a little more or less) the total of her exports, which, before that war, amounted, on a medium of ten years, (see Sir *Charles Whitworth*) only to a sum of 12,776,614 pounds sterling, let us say 13 millions, amounted, after the peace, to 14 millions 300 thousand.

Let us now suppose the trade of *England* exhibiting to its foreign correspondents, in the year 1762, this total in exports of 13 millions (at the old prices) under the name of 14 millions 300 thousand pounds, (a price rendered unavoidable by the advance in the prices of all commodities, on account of the taxes); and let us suppose these correspondents to have, really and annually, no more to pay them than 13 millions of their own manufactures, indicated by this modest number, because they had not the honour to support, during seven years, a war the most brilliant and successful in the memory of man, in *Germany*, *America*, and *India*. I think one of the three following consequences must be the result:

*Either*

That the total of *English* exports must have been reduced from 14 millions 300 thousand pounds

pounds to 13 millions, for want of means in our foreign buyers to pay the whole amount of *English* exports at their advanced price :

*Or,*

That *England* must have been complaisant enough to call 13 millions, in a foreign market, the amount of her exports, which the effects of her new taxes obliged her to call 14 millions 300 thousand pounds at home :

*Or,*

That *England* must have allowed her foreign connexions to call 14 millions 300 thousand pounds the same quantity and quality of their manufactures, which, before the effect of *English* taxation, they called only 13 millions, and which, *till then*, had made the balance of what they imported from *England*,

In the first case, the *English* manufactories, which furnish the exports, would have been necessarily reduced one tenth; upon which it is necessary to observe, that the tenth of the *English* exportation makes a fiftieth of the total value of the product of her industry, and that the inutility of the fiftieth of those products, occasioned by the impossibility of their being purchased by

foreigners at the price occasioned by the *English* new taxes, must have deprived of subsistence, as well as of employment, a fiftieth of the *English* artificans, and rendered useless a fiftieth of the capitals appropriated to exportation.

In the second case, the prices of commodities would not be perceptibly increased any where else but in *England*; the prices of her correspondents would have been, ten years after the peace, almost as they were in 1754.

In the third case, the prices would have increased, among the foreign correspondents of the *English*, nearly in the same proportion as in *England*.

The first case is evidently false, since Sir *Charles Whitworth's Statements* prove that the exports of *England*, which amounted, as we have before observed, upon a medium of 10 years before the war, only to 12 millions 776,614 pounds sterling, amounted, upon a medium of 10 years after the peace, to 14 millions 921,067 pounds sterling, and even to 15 millions 11,211 pounds sterling, if we take a medium of 12 years from the peace to 1773, at which period Sir *Charles Whitworth's Statements* conclude; (which exhibits,

bits, independently of the nominal augmentation supposed to have been occasioned by the taxes, a real augmentation of about a 17th, notwithstanding the real vacuum owing to the loss of those men who would have increased this exportation, if they had not perished in Germany, India, America, and at sea.)

The second case is more universally acknowledged to be false, since there is not a single country in *Europe* where the price of every thing has not, upon a medium, increased at least 10 per cent. from 1754 to 1770 ;—which proves the truth of the third case :—thus it happens that foreigners have paid the old taxes of *England*, without suspecting it ; as *England* does not, in the least, suspect that those taxes are no longer paid either in *England* or elsewhere, although their produce returns nevertheless to the public creditor.

Let us consider, however, whether this general increase of prices could finally prove prejudicial to *England*, or to her connexions abroad.

It could not prove so to *England*, because she was obliged to submit to this increase, or else to give up the manufacturing of a tenth of the commodities she exported to foreign countries (*where she*

*exports nothing of what she can sell at home*), and because a deficiency of a 10th of her exports would have inevitably deprived a 50th of her artisans of sustenance, and rendered useless a 50th of the capitals devoted to exportation. Besides, considering this object in another light, what loss would *England* sustain by receiving, under the denomination of 14, I suppose, the same commodities which before were furnished for 13, while she gave for the purchase, only 13 (old prices) which the effect of taxation made her call 14?

It could not prejudice her foreign connexions, because this increase of prices, which *abroad was not owing to taxation*, was only an encouragement to labour, which must in general have increased its products, always entitled to a profit over and above the price paid for that labour.

A circumstance which was necessary for *England*, without doing her the least harm, has, then, proved useful to the rest of *Europe*.—

But let us remark two very essential points :

The first is, that it is impossible in the nature of things, to keep up foreign consumption, *upon which*

*which depends the continuation of our exports,* without giving foreigners leave to increase the price of theirs, by so much as the commodities carried to them must be increased by our taxes;—in the same manner as it is impossible in the nature of things, to keep up interior consumption, national consumption, *upon which depends the payment of taxes,* without a general interior increase in the price of labour, as well as in the price of its products, when the wants of the State require new contributions.

The second observation which I deem equally essential, is, that such a work, (*a work of an utility which may be called universal*) has been brought about, consummated, without the Ministers of any State whatsoever being entitled to any glory from the event, except that of having facilitated the operation, if they have favoured the general liberty of communication in all articles of trade; and without their having deserved any other blame but that of retarding it, if their zeal, their greediness for the *favourable balance*, has suggested to them any *device* to attract and overthrow it in the only country entrusted to their management. We must universally ruin Credit, Trade, Commerce, and the Banking business, if we pretend to prevent Wealth from extending itself universally, a little sooner or later. *The owner*  
of

of any kind of riches whatever, has it not in his power to do any thing else, but to choose the place, the object, and the time, of giving the first motion; all the rest is merely the effect of a stone cast into the water: observe how the undulations succeed one another, how they are renewed and extended;—can you fix the point where they shall stop?—We pretend to direct them!—*Scilicet is superum labor est? . . . . Istæne animis cælestibus curæ?* — Indeed, indeed, too many cares occupy the minds of our Gods!

I return to the grand points.

Methinks upon viewing the picture I have drawn, it is easy now to conceive, why, as I have observed in page 62, a person, however strongly convinced of the cruel effect which ought naturally to arise from a debt of 64 millions sterling, contracted from 1754 to 1762, could not nevertheless cite in England, from 1763 to 1775, a single indication of a decay in agriculture or commerce, nor any falling-off in the enjoyment of luxury, public or private, nor less insolence in the bulk of the people. The reason is this: the two capitalists, who failed not to increase the price of every thing they were concerned in, according to the exigency of the taxes, determined  
also

also (after a few little formalities, always necessary with regard to the people, when nothing but luxury has been taxed) to augment the price of labour in proportion to that of its products; foreigners, on the other hand, raised the price of their goods in proportion as taxes had increased the goods of *England* exported to them; and the old equilibrium was restored every where, as soon as the general increase of prices had made the general power of consumption, equal to the need the State was in of an exterior as well as an interior, *i. e.* of a foreign as well as a national consumption, in order that all the taxes might be productive.

But if the debt of 64 millions, contracted from 1754 to 1762, had increased, by 10 *per cent.* the nominal value of all merchandise exported from *England* since that period, how shall we prevent the 60 millions of the last debt, from increasing, from 8 to 10 *per cent.* the nominal value of all commodities to be exported after this later period?

And if the general augmentation of prices, which has clearly followed the debt contracted in *England* from 1754 to 1762, has proved advantageous to all *Europe*, without hurting *England*, why should not the general increase of prices,

prices, which results, and will inevitably result from the last *English* debt, prove unprejudicial to *England*, although it will prove advantageous to all *Europe*?

But if this increase of 10 *per cent.* generally acknowledged, in the price of all merchandise in *Europe*, had extended only to the products of industry; if the price of the total of the produce of agriculture had not increased in the same proportion;—*had not Nature always silently and successfully opposed all the dreams of speculation on this head, to what a degree of misery and wretchedness would not agriculture have been reduced in all parts of our so much enlightened Europe!*—It was not so.\*

The quantity of wheat sold at *Berne* at 69 *batz*, on a medium of five years taken from 1751 to 1755, was sold for  $92\frac{3}{5}$  *batz* from 1766 to 1770.

The

\* In the Political Arithmetic of Mr. *Young*, may be seen the accounts, year by year, whence I have drawn the inferences here submitted to the Reader. It is but a few days ago that I thought of comparing with my own ideas the result of the whole of those accounts.

The quantity of wheat fold at *Dijon* at the lowest, 2*l.* 11*s.* 5*d.* on a medium of 5 years from 1753 to 1757, was fold at the lowest, 4*l.* 5*s.* 9*d.* on a medium of 5 years from 1766 to 1770.

The quantity of wheat fold at *Bâle* for 9*l.* 9*s.* on a medium of 5 years from 1754 to 1758, was fold for 13*l.* 14*s.* 2*d.* on a medium of 5 years from 1766 to 1770.

The quantity of wheat fold at *Geneva* for 27 *florins*, on a medium of 5 years from 1751 to 1755, was fold for 37 *florins*, on a medium of 5 years from 1766 to 1770, (see *Arthur Young's Political Arithmetic.*)

We find upon the total, from 1755 to 1770, as I observed in my *Reflexions on a singular revolution in France*, about 40 *per cent.* increase in the price of wheat.—Ten *per cent.* was enough to discharge, without expence to any body, and without any attention being paid to it, the interest of the debt contracted in *England*, from 1755 to 1762; but 30 *per cent.* more was necessary, in order to come (without injuring *England*) nearly to an equality with the *English* price, a price advantageous to the agriculture of all *Europe*; an advantageous price, which the *barriers* and *baricadoes*

ricadoes set up in *France*, had till then prevented from extending to *Switzerland*.

The barriers having been removed, *Switzerland* and *France* must necessarily have been enriched, or *England* ruined:—*France* and *Switzerland* were better pleased to be enriched; and so it will necessarily happen after the removal of the barriers subsisting between *England* and *Ireland*, that the agriculture of the latter must be enriched;—unless she should choose to do herself a real prejudice by keeping to all her former low prices, in order to procure an imaginary advantage to *Irish* industry, in hopes of prejudicing the *British* manufacturer;—which would indeed be very strange.

But if this proportionate augmentation in the price of every thing,—as evident as it is necessary,—as general as it is useful,—as natural as it is little suspected,—in consequence of a national debt contracted by a country trading with all *Europe*,—getting rich by trading with all *Europe*,—and who cannot get rich without sharing her wealth with all *Europe*,—be also a complete demonstration of the burden being NULL, so soon as the little private interests have rendered it general, and no longer permit

permit the supposition of its being productive of any other bad effects, but such as necessarily result from a bad system of taxation; does the point lie in rectifying the system, or in effecting a reimbursement?—At least, is a tax to be levied for the purpose of reimbursing, before we have searched deep into THE QUESTION THE MOST INTERESTING TO SOCIETY THAT EVER WAS PROPOUNDED?

And in the supposition, that it should result from the examination, as it does from my ideas, *that there neither is, nor can be any real and lasting harm in the taxes, but that which is the consequence of a bad system of taxation*; as there is however so much more harm done, at least of a transient nature, as there are more taxes imposed, even in the best manner,—would it not be necessary to conclude, that loans bearing annuities, esteemed the most advantageous to the State, (although they always require an heavier, and sometimes a double taxation), might have proved the most pernicious and worst devised, *in any other circumstance but that of a total discredit*, if they did not now furnish the Sovereign with the means of redressing what is most oppressive in the old taxes, without imposing new ones?

*On*

## On Luxury.

I CAN sum up all that I have said hitherto, by transcribing a couple of pages out of a pamphlet written in America in the year 1774, laid before the Academy of Sciences in 1778, and printed at Paris in 1781. I should certainly be excusable had I no other motive in this respect, than to prove that my opinions are neither suggested by, nor depending on circumstances. The reflexion contained in the following quotation from that pamphlet, on the war that broke out in 1779, is but a survey of the new order of things, which would not have presented itself to my mind, had it not been in my power, even then, to have published in several large volumes, that which I now comprise within three hundred and some pages, in order to render its perusal less laborious to the reader.

“ All the mystery of society, consists in  
 “ establishing, without the knowledge, and to  
 “ the greatest advantage of the parties concerned, the most equal, the most exact, and  
 “ the most equitable division that possibly can  
 “ be made, between the land proprietors, who  
 “ are in possession of all, and the pilferers who  
 “ are in possession of nothing.

“ This

“ This division operates of itself, by shackling,  
“ as little as possible, the natural passions of the  
“ one, and the factitious passions of the others,  
“ that is to say, by obstructing, as little as possible,  
“ communications of all kinds.

“ This division is inseparable from the greatest possible quantity of productions and consumptions, which cannot be effected but by the greatest number of *producers* and consumers, who will always be found and attracted where the laws shall be as little prohibitory as possible.

“ A prohibitory law in one country, may be, should be, and no doubt will be, instantly followed by ten others, in ten different countries, which will soon enforce the *re-establishment of the equilibrium dictated by Nature, the only one that deserves to be attended to, and the only one that must prevail at last.*

“ To the present war, *a war of revolution if ever there was one*, will probably succeed the only useful and necessary war that can be waged between nations enlightened by the longest and most melancholy experience; a war essential to the happiness of mankind,

A a

“ since

“ since the only contest left for decision will be,  
 “ who shall prove the most able to devise, or  
 “ the most ready to adopt, those laws that are  
 “ calculated to procure *the greatest possible con-*  
 “ *sumption*, on which depends *the highest degree*  
 “ *of public revenue* :—

“ Discussions these, important at all times,  
 “ dangerous for every one a few years ago,  
 “ unbecoming perhaps in a private individual  
 “ at a time when the true politicians of  
 “ *Europe* will find themselves compelled to  
 “ make them the object of their most serious me-  
 “ ditations ;—discussions, in fine, entirely out of  
 “ the way of a cultivator, who could not, without  
 “ a palpable folly, suffer himself to be led into  
 “ them by the examination of his blade of  
 “ grass, and of a principle too evident to be  
 “ contested.” (*Essai sur la culture de la canne*  
*à sucre.*)

*When a man has shewn himself capable of look-  
 ing upon a war as the readiest means that could  
 conduce to a general union of interests, no one will  
 be surprised if that very man should allow to  
 luxury the principal honour in the accomplishment  
 of such a prophecy. Nor would any one be sur-  
 prised*

prised if he were to add, that the rage for luxury, in a discerning despot, would soon lead him to establish within his dominions the greatest freedom, from which alone he can expect the greatest display of all kinds of luxury, the choice and first fruits of which would be always at his command. Nor again would any one be surprised were the prophet to add, that wherever luxury should be at its summit, none but the idle would be at a loss for a livelihood, and that not a mean one; that even the idiot, as well as the worn-out labourer, would find there, under the designation of a hospital, an asylum equal to the habitation of a King:—The habitation of the Kings of Great Britain is not comparable to some of her hospitals.

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Would not the question about luxury, reduced to its elements, like those other questions which I have touched upon hitherto, present consequences diametrically opposite to those ideas which perhaps are yet too common, only because they have not been thoroughly examined? Methinks I have advanced one step towards the solution of the problem, by proving (if I have proved it) that the tax laid on that pretended monster, Luxury, is in fact the most oppressive for the people, on account of the fol-

lowing effects, from which the unpoor cannot be freed.

First, If that tax lessens the consumption of the article taxed, provision must be made, by a fresh tax, for the *deficit* in the first, which nevertheless has already deprived of sustenance, those who derived it only from that article of consumption annihilated by the tax.

Secondly, If the rage for the article taxed, gets the better of the rigour of the tax, or in other words, of the absurd disproportion thereby established between the real and nominal value of that article, the land proprietor has no other resource left, whereby to provide for the tax, and for the rest of his standing expences, than to raise the prices of his commodities accordingly; and the poor, whose consumption has not been taxed, pays dearer, nevertheless, for his bread, and for all that he consumes besides, whilst the tax laid on luxury alone, is pleaded by all the *capitalists* as a pretence for not increasing the price of labour amongst the people they employ.

Thirdly, If the little private calculations, of which I have spoken, did not rectify (as I contend they do by degrees, and as they ought to do sooner)

sooner) the mistakes of the grand calculations in the administration of finances; that is to say, if the land proprietor did not increase the price of his commodities, in proportion as the tax bears heavy on that article of luxury which he still persists to consume: it would appear still more heinous in the eyes of the moralist; for those artificers who, without remorse, without a blush, should employ themselves in the work of *Satan*, of which the consumption should continue the same, would subsist undisturbed in peace and plenty on that very work, whilst a considerable number of scrupulous artisans, employed hitherto on articles free from censure, but of which the consumption should have decreased by the counter-blow of the taxes on luxury, would most scandalously be left starving and unemployed.

I shall now inspect the question more minutely; for all I have said hitherto is not so much an apology for luxury, as an exposition of the inconveniences attending its being made the principal object of taxation: I beg to be excused, if I grow unwillingly more familiar in my style, when the dignity of the subject seems to require one of suitable dignity in the manner of treating it.

It is the quality of the land that determines the division of its products : however ungrateful the soil, the man who cultivates it, first deducts what is necessary for his subsistence, and a trifle more ; the rest is divided amongst the landlord and some others, for one reason or another admitted to a share. This division, determined by the most general quality of the land, brings down the proprietor, who farms out his estate, to about one third of its productions, and reduces nearly to the like proportion, those who are employed in wresting them from the bosom of the earth.

In order therefore to consume as much as 80 men, the proprietor must have a landed estate capable of giving food to 240 ; and out of these 240, 160 must be provided for before the proprietor can think on his own consumption. Consequently, it would be unreasonable to call him to any other account than for that portion which he has received : but I readily subscribe to the necessity of having that account examined with the utmost rigour, since the object is to justify the dissipation of so considerable a surplus, and since the employment of that surplus, well ascertained, will give us sufficient light on the employment of the other parts of the revenue, which by that means it will be useless to examine.

The

The highest pitch of extravagance, in point of luxury, is, beyond contradiction, that which, in the smallest possible compass, contains the largest quantity, as well as the greatest perfection of labour, and of a labour the most easy to destroy.

Let us suppose a man who, to the fancy of being possessed of such an article, should join that of seeing constantly at work all those hands which must be employed to complete it; such a fancy never produces any other effect, but that of tertiating or doubling the price of things. The Patriarchs of old, busied and amused themselves, no doubt, in setting to work those whom they enabled to eat; they lived too near the time when man was condemned to labour, to maintain them in idleness. The modern Patriarch of whom I am speaking, provided with a pound weight of flax, which costs him 6*d.* divides it among 25 working people, who give it every preparation necessary to answer the purpose it is intended for. After an entire month of the most slavish precautions, the most minute details, a thread, hardly perceptible to the naked eye, presents to the warm imagination of the proprietor, the idea of the *chef-d'œuvre* of which this thread is to be the foundation; after 4 or 5 months more, devoted to the most patient and assiduous industry, he is at last put

in possession of some slips of lace, weighing in all 4 or 5 drachms, picked out and sorted, thanks to the last refinement of art, from that pound of flax which had cost six-pence. Five-pence three farthings, and a few fractions, are then, it seems, in the strictest calculation, the only real loss—the only devastation which is occasioned by luxury carried to the highest pitch of extravagance; and this loss is compensated by some very curious pieces of workmanship, which it is impossible to value at less than 227*l.* 10*s.* being the amount of 4550 days work at 12*d.* paid to each of the 25 working people, who have owed their subsistence, for six months, to that pretended inutility.—Amongst all the passions with which Providence has been pleased to gratify the rich for the advantage of the poor, name me only one that occasions less devastation, and maintains a greater number of indigent persons, than luxury carried to excess. O ye rigid men, who have left off wearing lace, join with me who have left it off too,—join with me in teaching those who continue to wear it, how many of their brethren they nourish without knowing it! Make them virtuous by teaching them, that in order to be so, they need only do, from a sentiment of humanity, what hitherto perhaps they have done through a motive of puerile vanity, or from a principle of ostentation, which, when considered,

considered, needs to be considered with some indulgence.

Another aspect, whimsical enough perhaps, but by no means foreign to the title of this pamphlet, would be that under which we should view those prodigies of art and patience, as the work not only of 25 artificers who were busied upon it for six months, but also of 12 or 15 husbandmen whose existence and labour were indispensable for the sustenance, during the same time, of the 25 labouring people employed in that great work. . . . A peevish man would perhaps exclaim, *Was it indeed worth while to be born, if all ends with this life?*—And yet, even in this case, thread-lace ought not to be proscribed: it was not worth while indeed to come into the world, solely to make lace; but, once born, we must work at something, in order to bear, without weariness, every instant even of a life which should not require lace-making for its support: as to the nature of the work, let us not find fault with that of others, before we justly estimate our own. . . . Can we find many of our fellow-creatures, who on their death-bed are able to shew the work of their whole life. . . . worth the smallest shred of lace then in being?

After this single instance of luxury, by which 25 men are fed during six months at the expence  
of

of another, by daily reducing his revenue from 80 to 55, I think that, without being an enthusiast or a declaimer, it would be difficult, even for a good man in the right sense of the word, to withstand the pleasure (although perhaps rather of the mischievous kind) of observing that little more is wanted beyond two such fancies as we have stated, to bring the Proprietor, reduced in the origin from 240 shillings to 80, and then from 80 to 55—to bring him, I say, exactly to the level of the cultivator, whom he has brought down to 9d. or 10d. and of the mechanic on whom he has bestowed 11 or 12d; however, I am willing to allow him 24 for his real, personal, and daily consumption. Twenty-four pence! will it be said, *What signifies being so rich, to consume so little!* Yes, twenty-four pence; and this is by much too much, if we deduct, as we ought, from the price of each article supposed to be consumed by the rich, the sum that remains in the hands of the pilferers of all kinds, who stand, unknown to him, between him and that article.—*How! what say you then to that plate of green-peas which costs 6, 8, or 10 guineas!* —But, my good friend the consumer of green peas, if you knew how many pilferers it conceals, of whom you have not the least idea! if you knew how many wants it has supplied

plied to some, how many indulgences of luxury it has procured to others, before it found its way to the table of an Epicure, or of an ostentatious man!—Let us try to enumerate them; workers of mines and quarries, masons, carpenters, glaziers, colliers, lock-smiths, *English* and *French* sailors for the common-spice trade; *Dutch* seamen, for the more precious kinds; ships of war of the three Powers, indispensable for the protection of the merchantmen employed on those objects; wood-fellers in *Sweden*, sail-cloth weavers in *Russia*, ship-builders, pilots, admirals of the three nations, husbandmen busied in the four parts of the world in procuring food for themselves, in order to prepare food for all those wood-fellers, glaziers, admirals, &c. exclusive of the *Dutch* gardener, and the *French* cook who alone can worthily crown the mighty operation.—Imagination loses itself in that single plate of green peas. How many reductions from 16 pence to 8, and from 8 to 4, have been required to produce it! It is inconceivable that it should not sell for more than 6 or 8 guineas;—but if each of those pilferers above mentioned takes back the small portion by which he has increased the intrinsic value of the article . . . O ye, who must have swallowed up 500 *properties*, in order to eat, without being guilty of extravagance, that  
plate

plate of green peas, and who flatter yourselves with the idea of having consumed on that day fifty or sixty crowns worth, learn and reflect henceforward, without remorse and without vanity, that you have not spent above half one penny, the real value of any other dish of greens which you might have substituted to the peas you have consumed.

Scrutinise, in the same manner, your wearing apparel; choose, like a child, what pleases most the eyes of the body; or, like a fastidious man, all that is most imposing to the eyes of the imagination; or, miser-like, that which costs least money; or, in fine, like a man of sense, what your means or your taste incline you to wear; the difference, as to essentials, is little or none. It cannot be positively asserted, that your consumption will be more or less considerable in one than in the other case; but recollect that thread lace, for which you could not pay less than 227*l.* 10*s.* because there stand between you and the pound of flax from which it has been extracted, 35 or 40 intermediate pilferers, to be fed during six months;—this lace, however, in spite of that extravagant price, could not, as you have seen, be set down to account amongst the articles of your real and personal consumption, for more than sixpence, supposed  
to

to be the intrinsic value of a pound weight of flax, which has gone through so many hands to be converted into lace. Now, on this principle, you might be wrapped in lace from head to foot : and your entire *mummy*, instead of presenting to the eye of a sworn appraiser a consumption of 30 or 40,000*l.* would in this instant of its highest splendor, only present him with a devastation of 200*lb.* of flax, sacrificed to decorate that mummy, or to hide its defects.—And as the object would be 200*lb.* of flax, the value of which is fully known by the number of people to whom it would afford support, instead of dealing so lightly as I did with a single pound, when I introduced my Patriarch, the appraiser would reckon with you rigorously ; he would consider, that in the hands of the Arts, no part of the works of the creation can be lost ; that, as it is their triumph, so it is their duty, to divide into 10, 20, or 30 parts, whatever requires such a division, in order that each may receive the degree of utility of which it is susceptible, and which the Arts are bound to account for to society : the appraiser would then carry you to the lace-merchant, in order to lay before you ten different sorts of an inferior lace, taken from parts chosen successively after that which serves you for a wrapper, and descending still from pilfery to pilfery, he would at last inveigle you into the cabins of some  
pretended

pretended wretch, where he would shew you the quantity of coarse and substantial shirts, necessary to teach you that 3 or 4 *lb.* of flax, at the most, are the only possible devastations your mummy can be reproached with, as two shillings are the only expence your vanity can boast of in the 25 or 30,000*l.* which you could presume to have consumed.

Yet, let us grant something to the pretended importance of being possessed of 500 *properties*, each of them sufficient to the support of one man. I shall accordingly suppose you to be habitually clothed in those stuffs, which, to the richness of the materials that compose them, join the perfection of workmanship, (which concerns you, as you have seen, in no other light, but that of either a benevolent, or an unintentional provider for the necessary consumption of the labouring man); —but 10 *lb.* of silk, as they come out of Nature's hands, are not worth 30 shillings:—without enquiring why they may then be valued at 30 shillings, bring all the other parts of your dress to the touchstone I have furnished you with; consider, that if you wear the same coat every day, it would be far from being worn out at the end of the year,—and how far it would be of course from standing for two or three pence in the account of your daily consumption; —add

—add thereto your real and personal wastings in coals, wood, pomatum, essences, elixirs, &c. *valued after the same principle*;—at what a distance you still remain from the 24 pence I have granted you for consumption!—And do not say that you renew your coat every season;—had you swallowed up 5000 instead of 500 *properties*, and should you change cloaths every day, your real consumption would not be the greater for it: would not your *valet de chambre*, to whom you should have given that suit of cloaths, for which you had paid 40 guineas, and which you had worn only once;—would not, I say, your *valet de chambre* sell it for 15 guineas to an old cloaths-man, who would get 20*l.* for it from a strolling player?—Be pleased now to trace that suit from *Paris* to *Lisle*, to *Brussels*, *Dresden*, *Poland*, *Russia*; see how many people will get a livelihood by carrying it about; how many guineas it will bring to the travelling *Roscius*, who will shine in so many countries at your expence; reflect on the revolutions which the elegance of that dress will occasion in the modes at *Petersburgh*; how many draughtsmen, embroiderers, working people of all sorts, will be employed and fed, (*thanks to your luxury*), in copying that master-piece of taste and fancy.—This is not all; you might probably, at the end of 15 years, meet again in *Paris* with the same

same suit, cut into small pieces, in the hands of some ladies of the first rank, busily engaged in unweaving the rags, to send, as soon as possible, those precious relics of your seemingly spoiled cloaths, to *Lyons*, &c. where ten workmen are waiting its arrival, to get bread by restoring to it a great part of its former value, under another form.—And you would presume to have consumed it?... The work of God is not so easily destroyed, nor his beneficence so easily concentrated.

*Was it worth being so rich, to consume so little?*

Were you to say, *Is it worth while to commit an injustice in order to grow rich, when we can consume but so little, and when the means are so numerous of pilfering so lawfully all that is wanted for consumption?* I could then understand you;—but since you are in possession of 500 *properties* without having been guilty of injustice, it is something to reflect that they are really to you, the source of numberless enjoyments which you have it in your power to render worthy of a rational being: and, as the continuance of those enjoyments depends entirely on the health and bodily strength of so many others who are to contribute thereto, it is something to be conscious

scious that we find our own pleasures in the interest of others; it is something to reflect, that these pleasures are a very gentle mean, devised most probably by an universal *Watchfulness*, to induce you to provide men destitute of every thing, with that *modicum* of goods which was not granted to them, and which, nevertheless, being necessary for their sustenance, is sufficient to their moderation, and prevents their feeling the privation of all the rest: it is something to reflect, that you feed in fact 50, 100, 500 perhaps of your brethren, amongst whom there are 10, 15, 30, as well fed as yourself, since they live on what comes from your table. As to the others, whose faces you will never see, since some of them are at *Pekin*, in *Arabia*, at *Constantinople*, and others in *France*, *Russia*, &c. be assured that, with much less meat than you, but more bread, potatoes, or rice, and a few glasses of an acid liquor, the idea of which, whilst I venture to speak of it, is enough to crisp all your nerves, they are as contented, as happy as you, because they consume, without any reflection, without any solicitude for the morrow, all they want, in order to view that morrow with the same tranquillity.—Would it not be unjust in that Being, *who weigheth the mountains in a balance*, if there were, amongst men,

one condition more unfortunate than another? Would he not be unjust, if amongst men, there were one condition more blessed than another? I suppose, indeed, that there exists a Being, *who weigheth the mountains in a balance*, as others have supposed that there is a future life, where happiness is more visibly equal; and I have hitherto ventured upon so many suppositions! —yet I would beg leave to offer one more, relating though indirectly perhaps to the object now under consideration; but this shall be the last: I will ask (upon the supposition that there really exists a Being, not only Estimator, Moderator, but Creator also of all that thinks, wishes, and can be happy). . . . yes, I presume to ask, whether the created being, capable of conceiving the idea of giving immortality to the creature capable of wishing for it, of fostering the hopes, and feeling the value of it, would not be greater than the Creator himself, if the Creator had not conceived such an idea? — I freely confess, that I should think myself better than the Creator, had the Creator conceived such an idea without putting it in execution.

I now return to the point which requires no kind of supposition, I mean the real consumption.—

tion.—Let us pass from that very insignificant possessor of 500 *properties*, to the greatest Monarch upon earth.—What difference is there between his consumption and that of the meanest of his subjects?—He has the choice of every thing, such is the *ne plus ultra* of his power: three, four, or five pounds weight of nourishing food, are really as sufficient for the one as they are necessary to the other;—and on all points, what is the object that procures to the Monarch either advantage or pleasure, the price of which as paid by him, *were it even of four-fold the value*, is not exactly composed, both of the amount of the sustenance that was necessary to the production of that object, and of a sum which will infallibly pay for other productions, which must be purchased to forward new ones—*from which the people will constantly have deducted their necessaries, before they are permitted to satisfy the superfluities, the luxury of any whosoever?*—Such is that never-ending screw, that adorable chain, which nothing can stop or break, unless it be the insanity of a monster, who should receive that fourfold price, and bury it under ground, lest it should prove useful to society.—That wretch was very consistent with his feelings, who wished the *Roman* people to have but one head, that he might exterminate the whole

nation at a single blow; but the phoenix will ever rise from its ashes; and Humanity, with all her resources, all her rights, would be reproduced from the very stones, were it possible that not a single head should escape the sword of that *consistent being* who might wish to cut them all off.

*Thoughts on the Colonies.*

THE question concerning luxury leads to the investigation of some ideas on the Colonies; I do not mean that of taxing them, either in a direct or indirect manner, for the reason truly specious, that the wars undertaken for their protection, having loaded the nation with taxes to an enormous amount, it is but just that they should come in for a share of the burden.

It has been observed, that a national debt contracted, no matter for what, occasioning in every thing an indispensable increase of price, the Colonies pay their quota of such a debt (notwithstanding the drawbacks) when they purchase goods at the rate to which the said debt has advanced them: it must also have been noticed, even how necessary it was that the price of commodities

modities from the Colonies should increase in proportion to the price of those of the Mother-country, in order that the former might be able to answer that advance of prices, without hurting the two essential points, consumption and re-production; whence it follows, that if new taxes are introduced, *either directly or indirectly*, to defray their pretended proportion in the interest of the national debt, neither harm nor good will result, *if the price of their commodities be increased in the same proportion*; but that if they be taxed, without that increase in the price of their commodities, they will consume by so much less of national goods *or of foreign ones paid for in national merchandise*, that is, to the amount of the sum which the tax shall have taken from them: this point is evident. Thus it is, that after the war in 1755, all *Europe* was obliged, as has been shewn, to increase her prices, so as to put them on a level with those in *England*; and had not *Great Britain* submitted to that reciprocal advance, and all the rest of *Europe* condescended to receive only, for the 13 *effective* millions of their own goods, the 13 *nominal* millions of that quantity of *English* commodities which was worth 14, on account of the taxes only, the nominal million which would have remained in the hands of *England*, would have been without value, and

*no longer reproduced for want of consumption, for want of means to pay for it, and to encourage such a reproduction.*

I think also that it is useless to examine whether the colonies can add any thing to the real power of a nation, since, in order to be convinced of the very reverse, it is enough to observe, that if 2 or 300 ships mounting from 10 to 120 guns be required, in order to protect effectually an extent of between 1500 and 2000 leagues of *colonial* coasts, distant 1000, 1500, nay 4000 leagues from the mother-country, the 100,000 men employed in time of war, on those floating citadels, are always furnished by the Metropolis, and do not in any manner exempt her either from erecting those permanent citadels which must be scattered along the coasts of the mother-country, or from providing the number of men necessary to defend them in case of an invasion. In this point of view, the colonies would therefore rather diminish than increase the national power.

On the other hand, experience has just taught us, that as soon as those very colonies, for which it is pretended so much blood has been spilt, and so much money wasted, are in a situation

to

to stand up in their own defence, there is no depending upon them, but inasmuch as they are on the footing of allies ; and interest alone fixes the duration of every alliance.

The above three objects deserve not, methinks, any further dissertation : the question that merits a more particular scrutiny, is that which concerns the utility of those very colonies, when their weakness is a pledge of their fidelity.

That utility consists in securing to the mother-country, 1st, an exclusive mart for such goods as she thinks proper to export there ; and 2dly, the exclusive sale of the returns, in which, it is said, she finds a compensation for the expence she is at to carry her goods to that market.

I shall investigate, under various points of view, all relative to those two objects, the utility of those colonies whose commerce is fully ascertained, before I speak of any other ; and I shall only draw the necessary inferences from the most incontrovertible facts.

1st.

We find in the Statements of Sir *Charles Whitworth*, that the exports from *England* to the colonies,

lonies, whose independence can no longer be disputed, amounted annually, upon a medium of 5 years, taken from 1769 to 1773, to the sum of 2,491,230*l.*

Now the two wars of 1739 and 1755, undertaken, it is said, for the protection of those colonies, that is, *to preserve to the mother-country the monopoly of them*, have cost *Great Britain* 99,141,625*l.*; and these 99 millions, though the interest has been reduced as often as possible, still cost *England* annually 3,500,000*l.*

It is then a sum of 3,500,000*l.* which, even so early as the year 1762, *England* had resolved to pay annually, in order to preserve, and the better to secure to herself the exclusive privilege of exporting annually to *North-America*, *European* goods to the amount of 2,491,230*l.*

2dly.

The imports from those colonies into *Great Britain*, upon a medium of the said 5 years, did not exceed the sum of 1,208,665*l.*—*Great Britain*, therefore, has enjoyed during the space of 5 years, a pretended balance of 1,282,565*l.* against those colonies;—but is that glorious balance

lance any thing more than the advantage of having given to those colonies, in the space of 5 years, a credit in the sum of 6,412,825*l.* supposing that such sum was the amount of her claims in that part of *America*, or of the half, if in fact half only of that sum remained due to her, notwithstanding the enormous appearance in Sir *Charles Whitworth's* Statements?

## 3dly.

If the colonies, now independent, will henceforth call in all the other nations of *Europe* to a share in the advantage of crediting them in the same manner, can it be supposed that *England* will not find in *Europe*, some other nation willing to receive that part of the *English* credit, which the independent colonies shall no longer think proper to make use of? In this case, can any thing more be required, on the part of *England*, than to manufacture in less quantity such goods as suit only the inhabitants of *America*, and somewhat more of those that may suit the different nations of *Europe*; and to this first operation to add the complaisance of receiving a greater quantity of their goods than she has imported hitherto?—In this case likewise, what ruinous consequences could *England* experience  
by

by exporting her goods to her neighbours, instead of sending them to *America*?

4thly.

If the complaints set up by *England* against the United States, are grounded only on their incapacity of making returns proportionate to the value of the goods exported there since the peace; are the United States to blame if *European* cupidity has exported to *America*, in the space of six months, as much as its inhabitants could consume and pay for in two years? Does such an event, almost infallibly the result of a long interruption of correspondence, prove any thing more than the necessity of a balance between production and consumption, the advantage of knowing as soon as possible the difference from the one to the other, the inconvenience of a trade, in which we lose sight of our capital for whole years together, and the advantage of a trade which would 5 or 6 months after return to the hands of the *capitalist* the stock he had laid out?

5thly.

Had even those colonies remained in, or returned to a state of subjection to *England*, would not the same interruption of correspondence have been productive of the same inconvenience?—

During

During the war, which terminated by the treaty of *Aix-la-Chapelle*, all the *French* colonies had remained under the dominion of *France*, and yet during all the first, and great part of the second year of peace most of the *French* goods were sold at *Martinique* and *St. Domingo*, 15 and 20 per cent. below the prime cost in *Europe*;—between dependent and independent colonies, then, in this respect, who can perceive a shadow of difference?

6tibly.

If the *English* merchants, after having overstocked the *American* markets with *European* goods, have attempted to strip *America* of the little money she had to boast of, and to leave her goods on her own hands, do the complaints set up in *England* on this subject, prove any thing essential either to *England*, or to the rest of the world, more than the impossibility of carrying into execution beyond a certain degree, the plan, as destructive as it is absurd, of any other trade but that which is founded on a reciprocity of advantages, on an exchange of the gifts with which *Nature* and *Art* have favoured one country, against those with which *Nature* and *Art* have favoured another country? And even, upon a supposition, that *America* should have returned under the domination of *England*, if the *Eng-*  
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*lish* merchants had, in this case, attempted to wrest from her the little money she was possessed of, would not the *American* colonists have been justified in taking every measure necessary to preserve it?—Would they in enforcing that right have been free from the misfortune, common to mankind, of always doing, in order to guard against an injury, much more than is either just or necessary?—The impossibility of making returns adequate to the extravagant invoices sent by the *French* traders to their colonies in *America*, after the war I have mentioned, determined also the agents of the *French* trade to strip those colonies of all the money they could lay their hands upon: no other way to put a stop to that spoliation was left, but to bore in the middle of their dollars a large hole, which restoring the equilibrium between the rapacity of the foreign trader, and the wants of the interior commerce, preserved within those colonies the trifling sum in specie that still remained there. Soon after, the equilibrium was also restored between the imports and the consumption; and from that instant an end was put to the thirst after money, as well as to the necessity of boring the dollars.—What difference then can exist, in this respect also, between a colony and a free State?

All the exports from *England* to the colonies, the monopoly of which she has preserved by the peace, (including her trade to *India*) amounted, in 1773, to 2,430,420*l.* (for the details see Sir *Charles Whitworth*). Now the annual expence of the *British* navy, and its accessaries, considering the increase in that of *France*, must be, at present, or will be soon, 2,000,000*l.* May it not be fairly concluded, that *England* is about to pay the annual sum of 2 millions sterling, in order to maintain herself in the exclusive privilege of carrying annually to the distance of 1500, of 2000, of 4 or 6000 leagues, the value of 2,432,420*l.* in *European* goods?—And would not that privilege be dearly bought, were not *France* to lay out annually likewise 45 millions of livres *tournois*, in protecting her privileged exportation?

8thly,

I have at present before my eyes no other standard, whereby to estimate the exportation of *France* to her sugar-colonies, than that of *England* to hers; that exportation amounted, in 1773, to 197,236*l.* But the population of the *French* colonies is far from being in a treble proportion to that of the *English* colonies, and luxury is equal in both; yet let us suppose that the amount of the exports from *France* to her colonies, including those she  
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sends to *India*, be annually 80 millions *tournois*.—The interest of the national debt in *France* is 202 millions *tournois*, (see *Administration des Finances de la France*) one half, or rather three fourths of which have been incurred for the protection of her establishments in those parts of the world.—May it not be said, that *France* is at the yearly expence of 150 millions *tournois*, independently of the 45 millions for her navy, for the purpose of maintaining herself in the exclusive privilege of exporting every year the value of 80 millions *tournois*, in *European* goods, to her possessions in *India* and *America*?

9thly,

All the *European* exports, carried by *England* in the year 1773, either to *India*, *Africa*, or *America*, including the exports for which she held an exclusive privilege in the part of *America* now independent, amounted to 4,975,192*l*. we shall say 5 millions:—if you value at 10 millions of the same currency, the exports of all the other nations of *Europe* to those parts of the world, we shall find a capital of 15 millions sterling in goods annually exported from *Europe*:—but the yearly expence of a navy, which cannot be dispensed with for the protection of those exports, is

is valued at 8 millions sterling, 4 of which fall to the share of *England* and *France*.

Exclusive of those 8 millions sterling, the interest paid by *England* to acquire, preserve, and protect that part of *European* exports that concerns her, amounts to about 6,500,000*l.* including that of the last war; the interest paid by *France*, comes nearly to the same sum; the interest paid by *Spain* could not be computed, were the depopulation of that country to be taken into the account; but estimate them at 4 millions, including those which other *European* nations have sacrificed to the same Idol: let us say nothing about *Holland*, who for many years (except the few last) has made some figure *Europe*, only by her good luck in alleviating the distresses of others, her sole motive for which was her own advantage: and we shall sum up, at last, an annual expenditure of 25 millions sterling, in interest and naval expences, incurred by *Europe*, in order to preserve the exclusive privilege, 1<sup>st</sup>, of exporting every year 15 millions sterling in *European* goods to her colonies, both in *India* and *America*; and, 2<sup>dly</sup>, of establishing in those colonies *the system of government best calculated to prevent that exportation from becoming more considerable.*

10<sup>thly</sup>,

10thly,

We have observed, that the exports from *England* to the colonies of *America*, and to *India*, amounted, in 1773, to 4,900 and some thousand pounds sterling, suppose 5 millions: now her importation of commodities from those various countries is about 5,900,000*l.* (see Sir *Charles Whitworth*); but we have also noticed, that she left yearly in *North America* 1,282,000*l.* more than she received therefrom. This matter, considered in the most favourable light, that is, as a balance of trade, ought to be added to the former; and the whole together will give us a total of 7 millions, shewing an annual benefit of 2 millions some hundred thousand pounds sterling.

It appears then, that an annual benefit of 2 millions some hundred thousand pounds sterling costs *England* annually 6,500,000*l.* interest for her debt, and 2 millions for the support of her navy.

11thly,

We have seen, that the annual and general exportation of *European* goods to *America* and *India* amounted to about 15 millions sterling. — If 5 millions of *English* exports return no more than 2 millions some hundred thousand pounds annual benefit to *England*, that *England*, who sets  
the

the highest price on her goods of all kinds, the general exportation of 15 millions, to which *England* contributes only one third, cannot, of course, afford to the whole of *Europe*, a profit of above 6 millions and some hundred thousand pounds;—but it seems that a benefit of 6 millions and some hundred thousand pounds is dearly bought at the rate of 25 millions laid out annually by *Europe*, both in paying the interest of their respective national debts, and for the support of the *European* navies designed to preserve, protect, and secure such a benefit.

12thly,

If it were very true, as it is to this day asserted, that those 25 millions of annual and indisputable expenditure, are in reality so many yearly losses to the nations who sustain it, might it not be reasonably concluded, would it not be impossible not to conclude, that all the colonies of *Europe* were established only for her ruin?—If we only attend to the last war, which in fact loads the different nations who took a share in it, with an annual interest of 9 or 10 millions,—9 or 10 millions to be paid every year, partly to preserve the right, partly to obtain the permission of exporting *European* commodities into a country, of which the inhabitants, besides their own importation, consume annually to the amount of

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only 2,491,230*l.* of those same commodities which are exported to them by others—who (to assume the trader's phrase) cannot clear by that exportation, a greater annual profit than 3, 4, or even 500,000*l.*! . . . it seems indeed that one cannot see without surprise and concern, the shocking disproportion between the end proposed, and the sole means of obtaining it.

*13thly,*

If, on the contrary, it be true, as I maintain it to be, that after the peace, when a perfect equilibrium is restored to every thing, the 9 or 10 millions interest of the national debt, has no other effect but that of ADDING TO EVERY THING A NOMINAL VALUE WHICH INJURES NO ONE, THOUGH IT MAY BE ADVANTAGEOUS TO MANY; A NOMINAL VALUE, WHICH, IN EVERY STATE, PROPORTIONS ITSELF, FIRST TO THE SUM OF ITS REVENUE COMPARED TO THAT OF ITS DEBT, AND SOON AFTER TO THE DIFFERENCE WHICH THE DEBT CONTRACTED BY THE NATION CALLED THE MOST LOADED, AND WHICH, IN FACT, IS ONLY THE GREATEST EXPORTER, HAS PRODUCED IN THAT ENORMOUS QUANTITY OF THE GOODS SHE EXPORTS;—if it appear more reasonable to adopt that idea, than to give up a trade, which, without that very idea, would prove the most absurd, as well as the most destructive that human genius could

could invent, (*the alternative seems to be forcibly established*);—in this case the regret will be heart-felt, when we consider the loss of men sacrificed during the last war: but if from this general aggregate of truths little suspected, and much less reflected upon, there should result a system of Politics in *Europe*, of Administration in her different States, of Government in her Colonies, which should procure to *Europe*, at the least expence, the greatest exportation of that of which she has a superabundance, and the greatest importation of that in which she is deficient. . . then indeed, then, might we find consolation for the evil, in advert- ing to its consequences.—And, upon this principle, what can *England* have suffered by losing her sovereignty over *America*?

14thly,

The contagion of example has been apprehended. Let us suppose the fact. What then would be the loss sustained by *Europe*? None, I believe, unless the consequence of the general independency of the colonies, should be that they would give up *European* commodities they have been used to, and which they can so readily procure by means of a multitude of other articles, which would be of no value to them were they not calculated to procure them those *European* commodities which they are in the habit of consuming.—But I

beg leave to ask, what purpose could their independence answer?—It appears to me, they could not think of it without a palpable folly; and that it is impossible they should think of it, *without that kind of vexation which brings a man to the necessity of choosing between two extremes*.—Another consideration, which tends to make *Europe* easy, at least in regard to the colonies situated beyond the tropic, is, that no rivalry can subsist between them and their mother-countries in any thing that concerns the soil and industry.

In regard to the productions of the soil, all that part of *America* inclosed within even the 30th degree of north, and the 30th degree of south latitude, could not yield, without double and treble expence, any thing that can be produced in *Europe*, and in the other part of *America*, from the 30th degree to the pole. And, on the other hand, at what an amazing expence must all *Europe*, jointly with that part of *America* now independent, produce, even in a kind of degradation, what the other part of *America* yields naturally in the most perfect state!

In regard to industry, can it be feared that the *South Americans*, even supposing them independent, should be tempted to import rough materials

rials from *Europe*, in order to have them wrought by *American hands*, which are so naturally and so profitably employed in the production of *American articles*? Is it even to be feared that they should aim at a competition with the *Europeans* in the exportation of *American articles*, when they are in need of ship-timber, or rather when in this, much more than in any other respects, there is no *European* work, which, if done in *America*, would not cost three times as much as when imported from *Europe*?—All *European* prejudices, relative to commerce, are founded on the following principle, which may be looked upon as the quintessence of the Navigation-Act:—*To do every thing ourselves, in order that no one's assistance may be wanted,—that no one may do without our assistance,—and that no assistance be given, but at the prices prescribed by the Lords of the Seas.*—The Navigation-Act was, without doubt, the last effort of the human mind about the middle of the 17th century\*.

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\* It is a very good idea, according to the Navigation-Act, to restrain, as much as possible, the *English* sugar-colonies, which their strongest interests attach for ever to *England*,—to restrain, I say, those sugar-colonies, in order to enlarge the faculties of some relics of timber, tar, and wheat-colonies, which their strongest interests will detach from

It seems to me, that the only point which essentially concerns all *Europe*, in regard to other parts of the world, where she can give law, would be to find out *what kind of Administration would be the best calculated to increase in all those parts the consumption of European goods, and to procure to herself a more considerable stock of foreign goods and products,—which would, as they have ever done, give, either directly or indirectly, a fresh encouragement to her agriculture and*

*from England as soon as they shall be strong enough to make the best of their timber, tar, and wheat. It is said in England, that the sugar-cane planters are so immensely rich, that they can well afford to pay 20 per cent. dearer to their dutiful brethren, for what they could purchase 20 per cent. cheaper from their revolted ones.—A sugar-cane planter, with a clear revenue of one or ten thousand pounds sterling in sugar, is neither more nor less rich than a freeholder in Great-Britain, with a clear revenue of one or ten thousand pounds sterling in wheat or grass; the one, as well as the other, is every day rich by the 2 or 4 pounds weight of food he can digest, and by the 6 or 10 or 15 lb. of cloaths he can wear; the one, as well as the other, picks out those 10 or 20 pounds from the materials that best suit his taste or fancy.—To the shame of thy power, ô Opulence, here thou must stop! *huc usque venies.*—Such is the truth, no greater is the truth, no less trivial is the truth, before which that *great globe itself*, that immense and *baseless fabric* of premiums, prohibitions, restrictions, and so many other financiering *visions—shall dissolve, and leave not a wreck behind!**

*and manufactures.* Let any one examine, whether the utility of the colonies be not strictly confined to this single point.

I speak of all *Europe*, it is true, as if she formed but one State, whilst she is supposed to exhibit so many interests, and these so very opposite to each other. This question deserves a deeper discussion than I am able to give it; yet I presume to think that the answer I could give, might be susceptible of demonstration, had we, on all the countries in *Europe*, statements only similar to those which Sir *Charles Whitworth* has given of the *British* trade, and were we to add thereto the means and faculties which are to be met with in *England* of procuring the details and proofs of every particular that concerns the public. Destitute however of an advantage so precious, so worthy of a nation sufficiently enlightened to dread nothing but being left in the dark on any part of her own interests, of a nation judicious enough not to disdain a ray of light, from whatever quarter it may come, and generous enough to perceive, with pleasure, that by enriching herself, she has, to this day, enriched all *Europe*;—

If it were admitted, that money is only the representation of value; that multiplying the

sign, without multiplying the articles which it is calculated to represent, is debasing fruitlessly the representation; and that, on the contrary, multiplying the article is the most infallible means of attracting the sign and keeping it up to its value:

If it were acknowledged, that nothing contributes so much to the multiplying of the articles, as the multiplicity of the channels through which they can be introduced:

If it were acknowledged, that the multiplicity of channels in another nation, for the introduction of our own goods, is necessarily inseparable from the multiplicity of channels opened in our own country for the introduction of foreign goods:

If it were acknowledged, that with the fullest persuasion that money ought to be the sole aim of trade, it has only proved, hitherto, the means of supporting it:

If it were acknowledged, that notwithstanding the prejudices to the contrary, as deeply rooted in the heads of Ministers, as they are in the hearts of Merchants, and notwithstanding all the national cupidities, private interest in all countries

tries has always proved sufficient to reject effectually all the *useless*, and procure all the *necessary* money:

If it should result, not from arguments, which very seldom contain what they ought to contain, in order to become uncontrovertible, but from the experience of a whole century, sufficient to estimate the effect of the passion the most ardent, and the most attached to its object, that contrary to the common ideas, and in spite of the general rage for money, the whole of commerce has, to this day, been ultimately confined to *its true balance*, i. e. to *bartering goods for goods*, except the little money which is wanted every where, and which has constantly penetrated every where, to answer either to the new productions when they had actually increased in their quantity, or to the advance of prices when the taxes had at last produced every where, and on the generality of prices, their effect, as equitable as it is necessary and harmless:

If the same experience should evince, that the richest individual, or he who becomes such the soonest, has no other advantage in point of commerce, than the choice of the men whom he is pleased to admit to a share of his wealth without impairing it; and that the  
inference

inference to be drawn therefrom is, *that such a man must be a dupe who confines his choice to ten, when he can make it from among thirty :*

If it were acknowledged, that riches and ease, like the light, stand in want of no assistance whatever, to propagate themselves equally in every direction, *as general interest requires ;* that the private interest of one man, or of a body of men, is always sufficiently opposed, protected, balanced, by the interest of another man, or of another body of men, *wherever administration confines its attention to the maintenance of strict justice and good order ;* and that from this equilibrium in which they mutually keep, or soon replace one another, there results, for both, the greatest advantage they can hope for, and for the State the highest prosperity it can attain :

If it were acknowledged, that on all these various objects, no difference whatever can subsist between one nation and another :

If it were acknowledged also, that all *Europe*, as well as each State in particular, is essentially, finally, strictly, composed only of three kinds of *capitalists*, or proprietors, the *landed capitalist*, the *capitalist of industry*, and the *proprietor of money*, considered either as a dependant or as a *capitalist* :

If

If it were acknowledged, that those three interests center in the greatest quantity, as well as the greatest variety and best quality, of the products both of agriculture and industry, and in the greatest consumption of both at the most reasonable rate:

If it were acknowledged, that the *Fisc*, or Exchequer, owes the whole of its revenue to the produce of the taxes only; and that this produce rising of course as the productions and consumption increase, the interest of the Exchequer can no where be different from that of the three capitalists or proprietors:

If it were acknowledged, that *at present* nothing can result from several institutions, pretended very wise, but a great diminution in the products and consumption, as well as in the revenue of the Exchequer; because there is nothing so easy as to balance, every where, institutions pretended very wise, by others not less so:

If it were acknowledged, that the *necessary* expenditure of the Exchequer once ascertained, all diminution of its revenue, occasioned by the pretended very wise institutions, carries with it the necessity of imposing new taxes, in order to make up the *deficit* of former ones:

If

If it were acknowledged, that each new tax, increasing necessarily the price of every thing in the nation, *for the purpose of supporting, at least, the interior consumption, on which depends the discharge of the taxes,* would add to the inconvenience brought about by those pretended very wise regulations, *and would soon lead to a decrease in the external consumption, which the nation might have preserved,* if other countries did not raise their own prices accordingly, in order to pay with the same products the same quantity of articles which they used to take before the advance occasioned by the taxes; that therefore such a general propagation of increase in prices, being of a general interest to the production and consumption every where, would not fail to take place every where as it has always done, and to dwindle again into a childish play, much beneath the adolescence of the age we live in;

If it were acknowledged, that the general repeal of those pretended very wise institutions could, at the worst, be productive of no other effect *within the State,* but that of a general rise in the prices, wherever they are not in due proportion to the real values, and a general fall in all the prices, wherever they are fixed by monopoly, and not by the natural equilibrium; but that,

that, whereas nothing but profit can accrue to those who raise their prices, it is very probable that the prices would increase much more almost *every where*, than they would decrease *any where*:

If it were, besides, acknowledged that such an increase, or decrease, (it matters not which) soon becoming general and proportionate, (without any other agent to work that miracle, but that reciprocal pressure which establishes a perfect symmetry in a bee-hive,) then no alteration could arise therefrom in the circumstances of the two essential capitalists, since it is perfectly indifferent whether we purchase the labour of others at 5 or 6 *per cent.* dearer, if we sell our own labour in proportion :

If it were acknowledged, that in regard to the money proprietor, *whether dependant or capitalist*, nothing can result from it but the certainty of procuring henceforth and for ever, at the most equitable price, that which he had paid for hitherto according to the rate set on it by monopoly, and often by a scarcity cunningly prepared and managed :

If it were acknowledged, that *as to the external interests of the State*, no other effect can result from

from the general repeal of those pretended very wise institutions, but the facilitating of all the branches of foreign correspondence, the opening of new channels of consumption, the encouragement of all kinds of production, of which consumption is the very soul, and the power of obtaining every where, at the most equitable prices, *by means of competition*, the most equitable share we have a right to expect in those gifts which nature, in all probability, has not bestowed on any part of the world, to confine them to that particular spot:

If all the foregoing points, I say, were acknowledged, it would be a hard matter to conceive that there is, not only in *Europe*, but all over the globe, any other enemy to destroy but Monopoly, or any other interest to favour but Labour.

## F I N I S.

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*The judgement of the Public, on the ideas thrown out in this Essay, will determine the fate of some others, which are nothing else but the consequences or developement of these.*

PREFACE

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# P R É F A C E

## D E L'ÉDITEUR.

CE n'est point un *Traité* que l'Auteur annonce : ce n'est rien de plus que des *Considérations sur le Méchanisme des Sociétés*. Un pareil titre n'astreint point à un plan régulier, & sauve même le risque de préparer les Lecteurs à un enchaînement d'idées qui n'échappera point à leur sagacité, s'il existe ; & sur lequel on ne les abuseroit point, s'il n'existe pas. Mais dans un tableau consacré au monde comme à la patrie, aux peuples comme à leurs maîtres, il falloit que l'objet saillant, l'objet sur lequel on dirigeoit leur première attention, fût d'un intérêt assez général pour les engager progressivement à l'examen de tous ceux de ses détails qui méritent d'être approfondis, & dont les rapports sont méconnus ou mal jugés.

L'objet qui fixe aujourd'hui l'attention de tous les États de l'*Europe*, tous débiteurs & créanciers, c'est la dette publique de l'*Angleterre*,

*terre*, & les mesures que va prendre à ce sujet, l'Assemblée du monde la plus éclairée sur les intérêts du peuple, la plus jalouse de ses droits, & la plus libre du moins dans ses débats. C'est par l'examen de cette formidable dette, & de son influence sur la richesse de l'État & l'aisance du peuple; que l'Auteur ose commencer. Mais avant d'en expliquer le mécanisme, dont le résultat présente des idées trop contraires à l'opinion générale, l'Auteur tâche de familiariser peu à peu ses Lecteurs avec la sienne, par des *Réflexions générales sur la situation actuelle de l'Angleterre*; ces réflexions ne lui permettant pas de douter, que la nation ne fût en 1779, malgré la dette nationale, plus riche qu'au commencement du siècle, du quadruple, ou du double seulement, suivant le calcul de population auquel on sera le plus attaché.—On voit que l'Auteur, relativement à son plan, n'attache aucune importance à la différence des opinions sur cet article.

*Une vue plus particulière du sujet*, présente à l'Auteur de nouvelles raisons qui lui paroissent capables de tranquilliser le créancier le plus inquiet.—Ce n'est à la vérité que par le moyen des *épargnes* faites & à faire journellement sur 8 sols, portion exacte qui revient à chaque individu

individu dans le revenu général, qu'on a pu parvenir à l'opulence, & qu'il est possible de s'y maintenir ; mais l'Auteur cherche *les épargnes* qu'on ne peut méconnoître dans l'agriculture & dans l'industrie : il trouve que celles de l'agriculture ont suffi depuis un siècle, non-seulement pour satisfaire aux charges publiques, mais encore pour doubler le revenu territorial ; & il détaille ensuite une quantité d'objets, faciles à vérifier, qui semblent démontrer le même progrès dans l'industrie.

Ici l'Auteur commence à se croire assez ferme sur son terrain, pour convenir qu'il ne voit rien dans la situation actuelle de l'*Angleterre* qui puisse justifier l'idée d'une banqueroute, quoique les papiers publiés de cette nation en insinuent très-souvent la commodité. L'Auteur s'oublie même jusqu'à examiner sérieusement, *s'il seroit avantageux de rembourser ou de ne pas rembourser, même dans la supposition que les 238 millions empruntés & disparus, reparoîtroient dans les coffres de l'Échiquier.*

Après avoir présenté la question sous plusieurs points de vue, l'Auteur n'hésite point à se décider pour la négative, & tâche ensuite de prouver qu'une *Thésaurisation* antérieure qui eût mis

la Nation en état de soutenir la dernière guerre sans imposer aucune taxe additionnelle, auroit fait beaucoup plus de mal que les nouvelles taxes n'ont été capables d'en faire.

L'Auteur devenu plus hardi, parce que personne ne le contredit lorsqu'il est seul (& en vérité il est seul bien souvent), entreprend de réconcilier le genre humain avec les taxes, au moyen d'une première décomposition de l'impôt; il abandonne à la vérité une de ses parties comme onéreuse, (il est fâcheux réellement qu'elle soit indispensable, heureusement c'est la moindre;) mais il défend hautement l'autre partie, comme une ressource très-précieuse pour cette portion du peuple qui mérite le plus de captiver l'intérêt du Gouvernement.

Malgré toutes les précautions que l'Auteur a prises jusqu'ici pour ne pas effaroucher ses Lecteurs, il lui reste un tel pas à franchir, qu'on le voit presque à genoux pour supplier qu'on lui permette de le franchir en vingt fois s'il n'y réussit pas en dix; c'est-à-dire, qu'il desire beaucoup que son Ouvrage ne soit pas condamné *définitivement*, avant d'avoir été lu jusqu'à la fin; en effet il n'est pas impossible qu'une proposition détachée, dont le ridicule est frappant

à l'exposition, devienne cependant très-raisonnable lorsqu'elle aura été successivement rapprochée de toutes celles qui doivent la suivre.—

Un Editeur doit encore plus au Public qu'à un Ouvrage auquel il feroit même assez flatté de procurer une petite fortune ; je crois donc être obligé (*in foro conscientiae*) de prévenir que ce n'est qu'après avoir parcouru cinquante & quelques pages qu'on soupçonne pourquoi l'Auteur n'a pas annoncé dès la première, les singularités qu'il se proposoit insidieusement d'établir pied à pied dans sa brochure : mais enfin on peut alors pressentir ce qu'on doit attendre d'un homme qui vient de conter *que les taxes ne sont qu'un petit mal, que la Thésaurisation en seroit un très-grand, qu'un remboursement est au moins inutile*, — & qui aussi-tôt annonce modestement qu'il pourra bien, *par la suite*, lui échapper quelques bizarreries, — comme s'il pouvoit y en avoir de plus complètes que les trois propositions dont je viens de rendre compte.

Cependant il ne faut pas être trop sévère ; — le Lecteur a-t-il été seulement amusé par le coin du Tableau jusques-là découvert ? — qu'il se prête à la petite manie de l'Auteur ; on renonceroit à montrer des curiosités, si l'on n'avoit

pas la liberté de lever le rideau à sa fantaisie, si l'on n'avoit pas le droit de ne montrer, à chaque annonce, que la petite partie de la curiosité, sur laquelle on veut fixer pour le moment les yeux du Spectateur :—

Mais si le Lecteur n'a pas encore observé la moindre variation dans le compas malgré la différence des positions ; s'il n'a pas été un peu ébranlé par les raisonnemens dont on l'aura bercé jusqu'alors,—qu'il jette la brochure au feu ; car l'Auteur, dont je ne prétends point imiter la circonspection, ou adopter les craintes, ou justifier l'audace, ou partager le délit, n'entreprend rien moins que d'engager *toute l'Europe*, (toute Europe !) à examiner :

## 1°.

S'il seroit possible qu'il en coûtât à l'*Angleterre* au-delà de 5 millions sterling, *une fois trouvés*, pour assurer, à *perpétuité*, de la façon la plus solide, le paiement de l'intérêt d'une dette de 238 millions, cet intérêt fixé à 9 millions même monnoie.

## 2°.

S'il n'y a pas sans qu'on l'imagine, dans le *Système de Finance de l'Angleterre*, quelques-

unes des imperfections si bien observées, si justement, si amèrement critiquées dans celui de la *France* ; & si un remboursement national n'est pas le plus facile de tous les jeux avec lesquels un Ministre de Finance peut amuser la Société, sans la servir.

## 3°.

Si la possibilité d'une balance de commerce toujours favorable, n'est pas aussi douteuse que la nécessité d'une banqueroute, & l'avantage d'un remboursement.

## 4°.

Si l'équilibre en tout & par tout, n'est pas indispensable ; & si, pour maintenir ou rétablir cet équilibre, il faut de grands efforts d'imagination de la part de ceux qui croient tenir la balance.

## 5°.

Si la différence des prix est quelque chose ou rien ; & s'il a fallu en *France* au-delà de 66 millions tournois, *une fois trouvés*, pour assurer, à jamais, l'intérêt à 5 p. cent d'un emprunt national de 1500 millions.

## 6°.

Si le monstre d'une concurrence en fait de commerce, prétendue invincible grâce à la

légèreté des prix dont elle seroit armée; n'est pas aussi fantastique que celui d'une balance toujours favorable.

## 7°.

Si le *premium* d'exportation le plus pardonnable, est autre chose qu'une injustice devenue nécessaire pour en balancer une infinité d'autres.

## 8°.

S'il ne résulte pas du rétablissement toujours infaillible & purement mécanique de l'équilibre dans tous les prix, que les taxes sont d'une innocence absolue en elles-mêmes;—s'il est au-delà d'une espèce de taxation, qui n'augmente la masse générale des prix que du montant précis de la taxe;—si toutes les autres n'en triplent pas l'effet;—si la plus pernicieuse, *après la capitation*, n'est pas celle *du luxe*;—& si du moment où toutes les taxes *bonnes ou mauvaises*, ont réagi sur tout, le fardeau de la dette nationale n'est pas évidemment nul dans tous les pays.

## 9°.

Si le crédit n'est pas, *après le Monopole*, l'effet de la richesse qui enchérisse le plus tous les produits de la terre & de l'industrie.

## 10°.

Si tel pays où la contrebande fut défendue sous peine des galères, ne doit pas à la contrebande un cinquième des produits de son agriculture, dont le commerce profite avec aussi peu de scrupule que s'il n'eût pas sollicité la loi abominable contre les contrebandiers.

## 11°.

Si l'absurdité de l'idée générale sur le moyen le plus propre pour établir une concurrence avantageuse en fait de commerce, n'est pas démontrée par l'Histoire d'une révolution singulière en *France*; révolution aussi peu douteuse que les deux guerres de 1755 & de 1779.

## 12°.

Si l'impossibilité des deux balances prétendues par la *France* & par l'*Angleterre*, n'est pas prouvée par les faits allégués dans les deux pays pour établir l'existence de ces deux monstres;—si cette impossibilité n'est pas démontrée par d'autres faits aussi peu équivoques;—& s'il n'est pas de l'intérêt de l'*Angleterre* & de la *France*, d'abjurer au plus tôt l'idole, & de renoncer authentiquement à ses œuvres comme à ses pompes.

Si les exportations & importations ne sont pas un jeu aussi innocent que celui de la paume ; un jeu néanmoins dont tous les Gouvernemens pourroient tirer un grand parti , tous les sujets un grand avantage, & tous les Etats un accroissement de force & de richesse.

## 14°.

Si la généralité des exportations de l'*Angleterre* en différens périodes, considérée relativement à la correspondance étrangère, ne démontre pas une espèce d'électricité dont on n'avoit pas encore l'idée, & qui n'est pas indigne d'amuser le loisir des plus grands Politiques.

## 15°.

Si le badinage du luxe n'est pas aussi innocent que le jeu des exportations & importations ; & combien le plus fastueux, le plus prodigue, le plus sensuel de tous les Princes, consomme au-delà du plus avare de ses sujets.

## 16°.

Combien, en négligeant les fols & les deniers, l'*Angleterre* a perdu en perdant ce qu'on appelloit son bras droit ; & combien, en négligeant les fols & les deniers, toute l'*Europe* perdrait si elle perdoit la souveraineté des deux *Amériques*.

Si tout ce qui avoit paru à l'Auteur fondé en raison & en justice, ne se trouve pas finalement, en dépit de la conjuration générale de tous les Peuples & de tous les Ministres, conforme aux faits les plus douteux;—& s'il ne résulte pas de la réunion des faits & des raisons, que l'assertion de l'Auteur la plus intéressante pour l'humanité, c'est-à-dire pour tous les Princes comme pour tous les Peuples, est de la vérité la plus incontestable, & la plus facile à mettre à la portée de tous les intéressés.

J'irai plus loin quoique Editeur. Je supposerai qu'il résultât aussi de cette réunion de raisons & de faits, que les moyens qu'on a crus jusqu'ici les plus propres à soulager le Peuple, étoient les plus infaillibles pour le vexer; qu'est ce que cela fait au Peuple pourvu qu'on ne le vexe plus? Le passé est-il autre chose qu'un songe?

Je supposerai encore qu'il en résultât qu'on n'a jamais travaillé plus solidement à diminuer les revenus du Prince, que lorsqu'on s'est flatté de les augmenter; qu'est-ce que cela fait au Prince, pourvu qu'il ne soit plus possible de se

méprendre sur les vrais moyens de l'enrichir ?  
N'est-ce pas de l'avenir sur-tout, qu'un grand Prince doit s'occuper ?

Je supposerai encore qu'il en résultât qu'on a eu grand tort de s'imaginer qu'il falloit diminuer le revenu du Peuple pour augmenter celui du Prince ; qu'est-ce que cela fait au Prince & au Peuple, pourvu qu'ils soient l'un & l'autre bien convaincus qu'il n'est pas possible d'enrichir l'un, sans enrichir l'autre de la même manière, & dans la même proportion ?

Je supposerai encore qu'il en résultât évidemment qu'il n'y a pas eu jusqu'ici dans les finances d'aucun pays, un seul principe, une seule idée qui en méritât le nom ; qu'est-ce que cela fait aux Ministres qui dirigent aujourd'hui les finances ? Le passé est-il à leurs ordres ? Et n'est-ce pas dans la rectification des abus découverts, que consiste la vraie gloire d'un Ministère ?

Je supposerai même, pour combler la mesure, qu'il en résultât pour un très-simple individu *Américain*, une petite branche de cet arbruste

*Européen* qu'on appelle laurier femelle; qu'est-ce que cela fait à tous les Ministres, à tous les Peuples, à tous les Princes de l'*Europe*? L'*Amérique* consommera-t-elle moins de marchandises *Européennes*, & produira-t-elle moins d'or & d'argent, pour avoir produit une idée?



FAUTES A CORRIGER.

P. 409, l. 5, *Les plus douteux*, lisez *les moins douteux*.

P. 410, l. 10, *Après d'enrichir l'un*, ajoutez *soit réellement,*  
*soit nominalelement.*

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